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HONDURAN PRESIDENT-ELECT AZCONA VISITS OAS

FL172344 Bridgetown CANA in English 2222 GMT 17 Jan 86

[Text] Washington, Jan 17, CANA -- Ambassador Albert O. Xavier of Grenada, chairman of the Permanent Council of the Organization of American States (OAS) today welcomed President-elect Jose Simon Azcona of Honduras, praising the efforts of that Central American nation in the field of human rights.

We note that while nations around you have been guilty of serious infractions against the rights and freedoms of the individual, Honduras continues to respect the God-given rights of its people, Xavier told the president-elect during his visit today to the OAS.

Azcona also met with Val McComie, assistant secretary general of the OAS, currently in charge of the General Secretariat while Ambassador Joao Clemente Baena Soares attends in Guatemala installation ceremonies for President Vinicio Cerezo and other important meetings on Central American issues. Xavier told Azcona that we have no doubt that your government will continue its noble tradition in the field of human rights and added that his visit is indicative of your commitment to continue to participate in and support the efforts of the OAS. More importantly, he said, we applaud your nation's continued adherence to the principles of parliamentary democracy. We believe that this is the only system of government under which the individual can fully develop his true self. Xavier said Azcona's election reaffirms that the process of democracy is continuing to grow in Honduras.

The Honduran president-elect said in a statement at the conclusion of his visit that efforts must be made to seek a solution to the Central American problem. In this connection, he said Honduras accepts and supports the decisions made by the Contadora Group and by the Support Group. We want to be the promoters of solutions and no peace and tranquillity will be possible unless a global solution is found to the problem of Central America, he pointed out.

Azcona warned that the Central American question cannot be subject of isolated efforts, but instead should be confronted through a comprehensive and common effort and Nicaragua must become a peace factor in Central America.

REGIONAL SUGAR EXPORTERS VIEW U.S. QUOTAS

FL172058 Bridgetown CANA in English 1836 GMT 17 Jan 86

[Text] Washington, Jan 17, CANA -- Caribbean and Latin American sugar exporters asked the United States today to reconsider its reduction in the size of its import quotas imposed by the Food Security Act of 1985.

The request was made during the first session in 1986 of the Permanent Council, highest permanent political body of the Organization of American States (OAS).

The future of millions of our peoples and of our governments may be affected (by the quota cuts), warned Trinidad and Tobago's Ambassador James O'Neil Lewis. If people find themselves out of work then anything may happen even in the most democratic of countries, he added. Lewis called on the OAS council to seek with the United States a solution that will be acceptable to all of us.

The council approved a proposal by Ambassador Rafael Garcia Velasco of Ecuador that as a first step the OAS General Secretariat be charged with preparing as soon as possible a short and concrete study on the effects of the U.S. legislation over the economies of OAS member states. Garcia Velasco said that matters to be considered by the U.S. Government in making a final resolution on the problem should be price supports, sustenance of quota levels, long-term loans to finance plantings and measures to diversify crops and the promotion of new industries to make up for the losses suffered by the countries because of the sugar situation.

In signing the Food Security Act on December 23, President Reagan had said the legislation passed by Congress includes several highly objectionable features that must be changed, and mentioned that a mandatory reduction in the size of the sugar quota that threatens to severely disrupt the economies of the Caribbean Basin countries and the Philippines....is inconsistent with the foreign policy objectives of our country and may also be violative of our obligations under international trade agreements. Reagan also said: I find it difficult to ask other countries to bear the cost of our sugar programme while encouraging them to maintain a stable course toward development with democracy.

U.S. Ambassador Richard T. McCormack told the Permanent Council that practically speaking, the act reflects a loss of U.S. congressional patience with the highly distorted world agricultural market. He added: We are troubled by the distress caused sugar producing nations as world sugar production plus stocks has tended to exceed world effective demand. McCormack said that the administration will be seeking to convince Congress that satisfying the American farm community's long-term needs requires international markets free of government subsidies and trade restrictions. This, he said, reinforces the need for early and meaningful negotiations on agricultural issues in a new trade round. This would provide a sound basis for congress to amend the new legislation.

Peruvian Ambassador Jorge Raygada Cauvi underscored the relationship between restrictions imposed on developing countries exports and the burden of external debt. We are requested to pay the debt, and we are willing to do just that, but on the other hand we are placed under the burden of protectionist measures which makes it impossible for us to have the necessary resources for debt payments, he told the council. Raygada Cauvi also said that the actual sugar quotas, already reduced to 467,000 short-tons last year, will be even more restricted, to 450,000 short-tons in 1986.

U.S. imports in 1983-1984 from Latin America and the Caribbean reached a level of 2,044,038 short-tons and the average between 1977 and 1981 was 3,308,616 short-tons.

CGT LEADER WARNS AGAINST STRIKE REPRISALS

PY221535 Buenos Aires TELAM in Spanish 0008 GMT 22 Jan 86

[Text] Buenos Aires, 21 Jan (TELAM) -- Saul Ubaldini, the secretary general of the CGT [General Labor Confederation], today warned the government not to intervene against the unions because if it takes reprisals, there will not be just another strike but a total mobilization. Ubaldini said: We are tired of lies and promises. We hope that the well-known idea of participation will be put into operation once and for all. Ubaldini added that the CGT will never again accept an invitation to take part in the socioeconomic talks just to have its proposals ignored. Ubaldini, who spoke before hundreds of CGT members, reiterated that the strike scheduled for 24 January will be a day of glory and will be carried out to the end.

Ubaldini delivered a powerful speech to the rank-and-file from the balcony of the first floor of the CGT headquarters at 802 Azopardo Street. He said: We are going to work for the 24 January strike and those imitators should learn that it is better to do than to say, better to act than to promise. The CGT secretary general delivered a message to all the rank and file union activists and delegates of this capital and Greater Buenos Aires on the upcoming general strike called for 24 January. Ubaldini called upon the unionists to be calm in order to make the strike a real referendum. Ubaldini's speech was repeatedly interrupted by the chanting of the demonstrators, who covered part of Azopardo Street and Independencia Avenue, and hindered by problems with the sound system. In his speech, Ubaldini emphasized the sufferings of people on retirement and criticized the government for its lack of sensitivity to solve the problems of the aged. Commenting on the Austral Plan, Ubaldini also criticized the government for giving priority to commitments abroad and called on the government to think of domestic commitments instead. High leaders of the CGT National Secretariat were among the demonstrators, including Juan Alejo Farias of UOCRA [Construction Workers Union of the Argentine Republic]; Miguel Candore of UPCN [National Civil Service Personnel Union]; and Jorge Sansat of Aeronavegantes [Airline Workers Union].

Ubaldini also called for the reactivation of production, and reiterated his exhortation to the government for a change in its socioeconomic policies. The CGT leader pointed out that the purpose of his speech was to call for a peaceful strike, which he said has always been the preferred method, in order to get bread and work, and that it is necessary to change not only the salary situation but also the socioeconomic policy. In other words, to keep in mind domestic commitments rather than foreign commitments. Ubaldini said that the directive given to the rank-and-file for the 24 January strike is, above all things, to be calm and to not participate in violent acts. He added: We are peaceful men and our protest is going to be peaceful.

During an interview with TELAM, Ubaldini said that the intermediate level union leaders will be in charge of conveying the thoughts of the CGT to the rank and file. In response to a question about the similarities of the policies of the labor movement and the Justicialist Party, Ubaldini said that General Juan Peron is responsible for the majority of workers being Justicialists because of the social justice he gave them. Regarding the Austral Plan and the salary increases, Ubaldini said that the 3-austral increase over the minimum salary granted to retirees means that the government has no real idea of what is happening in our country.

Asked if strikes don't hurt the democratic process, Ubaldini said: This is a general strike and not a strike to favor a general. He abstained from giving details of the measures to be adopted during the strike scheduled from 24 January. Ubaldini said: The labor movement is tired. We cannot go from one strike to another. There are more effective moves. In this case, this is (the upcoming strike) a warning. We are going to decide on other measures in a democratic manner by learning the thoughts of the regional delegates and the secretaries general during a plenum to be held in the interior of the country.

PLANE MANUFACTURE PACT SIGNED WITH BRAZIL

PY201727 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2322 GMT 17 Jan 86

[Text] Buenos Aires, 17 Jan (NA) -- During a ceremony at the Defense Ministry, attended by Defense Minister Roque Carranza, Argentina and Brazil today signed a cooperation and technological exchange agreement for the construction and export of aeronautical material for the manufacture of planes for combat and advanced training. The agreement was signed at 1730, by Carranza on behalf of Argentina; Osires Silva, president of the Brazilian Aeronuatics Company (Embraer), signed for Brazil. Brigadier Horacio Crespo, Air Force commander in chief; Ruben Corradetti, Corboda Military Area commander; and Joao Pereyra de Araujo, Brazilian ambassador, also attended the ceremony. The Argentine plane factory of Cordoba and the Embraer, the two most important Latin American plane manufacturers, will play major roles in the technological exchange. These two factories are now developing important civil and military projects. The agreement calls for cooperation between the two countries' Air Forces to produce and export aeronautical material designed by them and acquired under permit, as well as the development of a technologically adequate level for the manufacture of military combat planes, fighters, and planes for advanced training.

BRIEFS

UNEMPLOYMENT RATE INCREASES -- The National Statistics Institute has reported the latest unemployment rates in Greater Buenos Aires registered by October 1985: Unemployment grew 40 percent and underemployment grew 38 percent in 1985 in comparison with 1984. The total unemployment and underemployment rates together reached 11.4 percent of the labor force in 1985 as compared with 8.2 percent in 1984. [Summary] [Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 21 Jan 86 PY]

NEW SUB TO ARRIVE -- (DYN) -- Argentina's newly-built submarine, the San Juan, is due to arrive in the port of Mar del Plata today from Federal Germany where it was constructed. The vessel is a sister-ship to the "Santa Cruz" and was launched at the Thyssen Nordseewerke shipyards in Germany. The vessel is considered to be one of the most modern of its kind, is 66 meters long, develops a speed of 24 knots, and is equipped with six torpedo tubes. Rear Admiral Nestor Baricco, commander of naval operations is to preside today at ceremonies in the Mar del Plata base during which the submarine will become one of Argentina's naval fleet. [Text] [Buenos Aires BUENOS AIRES HERALD in English 18 Jan 86 p 13 PY]

BANZER DECLINES INVITATION TO JOIN GOVERNMENT

PY221750 Madrid EFE in Spanish 1658 GMT 22 Jan 86

[Text] La Paz, 22 Jan (EFE) -- General Hugo Banzer Suarez, leader of the rightist National Democratic Action (ADN), has rejected President Victor Paz Estenssoro's invitation for ADN members to be included in the new cabinet.

According to information disclosed today by official sources, President Paz Estenssoro proposed to Banzer that members of the opposition ADN take part in the new government. This invitation was made during a meeting held on the night of Monday, 20 January, at the "San Jorge" presidential residence.

On Tuesday, the Council of Ministers resigned en masse so that Paz Estenssoro "would be free to make adjustments in his new cabinet."

Foreign Minister Gaston Araoz Levy said that the caretaker cabinet had "fulfilled a fundamental phase for the country and that a new phase in which new tasks must be fulfilled is beginning."

Disagreements within the government surfaced 10 days ago when Planning Minister Guillermo Bedregal tendered his resignation, demanding changes in the cabinet. Bedregal was ratified in his post by the president and, therefore, it is believed that his request was also accepted.

According to political observers, ADN participation in the government was aimed at preventing disagreements between the government and the legislative branch, headed by Senator Gonzalo Sanchez de Lozada, who belongs to the governing National Revolutionary Movement, and who is strongly against Bedregal.

The swearing in of the new cabinet is expected in the next few hours. According to political observers, the new cabinet could bring some surprises since the ADN refused to take part in it.

NEW CABINET 'UNOFFICIALLY ANNOUNCED' 22 JANUARY

PY222237 Madrid EFE in Spanish 2141 GMT 22 Jan 86

[By Amanda Davila]

[Text] La Paz, 22 Jan (EFE) -- It was unofficially announced today that the new Bolivian cabinet will retain 50 percent of the members of the former Cabinet, will be more conservative, and will significantly change the economic policy of the government.

Meanwhile, meetings continued at the presidential palace to put the finishing touches on the cabinet that will replace the one that resigned yesterday.

Outgoing Foreign Minister Gaston Araoz Levy has stated that the Cabinet resigned to "allow the president to make the necessary adjustments to confront a new phase." President Victor Paz Estenssoro is facing his first massive cabinet crisis 5 and 1/2 months after his inauguration on the eve of a 24-hour Bolivian Labor Confederation [COB] sponsored stoppage to protest the government's economic policy.

Official sources have reported that the opposition Nationalist Democratic Action (ADN) party, led by General Hugo Banzer Suarez, has rejected an invitation made by the president to participate in the new cabinet.

Although 50 percent of the current Cabinet will be confirmed -- according to an unofficial list -- important changes will be announced in the economic area, which until yesterday was headed by Planning Minister Guillermo Bedregal, who will reportedly take over the foreign relations portfolio.

Of the 18 ministers in the Cabinet, 8 were confirmed, 7 are new, and 1 portfolio has not been assigned yet.

The cabinet shuffle will be advantageous for the business sector of the ruling party, which has been criticizing Minister Guillermo Bedregal's economic policy of establishing some sort of balance between the interests of the workers and the IMF recommendations.

The Planning Ministry Bedregal used to head will be given to the current president of the Senate, Gonzalo Sanchez de Lozada, a businessman who favors strict compliance with the severe measures advocated by the IMF.

According to the unofficial list of new ministers, Juan Careaga, another businessman, will be the new minister of finance while Douglas Azcarruz, also a businessman, has been confirmed as minister of industry and trade.

Luis Fernando Valle, defense minister; Fernando Berthelemy, minister of interior; and Antonio Tovar Pierola, minister of aeronautics will remain in their jobs. These ministers have managed to stop a general strike that the COB had called for to portest the economic policy.

Education Minister Enrique Ipina Melgar, Labor Minister Walter Costas Badani, Integration Minister Fernando Caceres and Health Minister Hugo Rodriguez have also been confirmed, while the fate of the information minister has yet to be decided.

According to the unofficial list, Andres Petrisegich will take over the Transport Ministry, Carlos Morales (a businessman) will become the new energy and hydrocarbons minister, Jaime Villalobos will be the new mining minister, Franklin Anaya will take over as minister of urban affairs, Sandoval Moron (who has participated in de facto administrations) will become minister of campesino affairs, and Juan Carlos Duran (who was a minister in the latest de facto regime) will become secretary general of government.

The new cabinet will be sworn in in a few hours.

President Installs New Ministers

PY230111 Paris AFP in Spanish 0046 GMT 23 Jan 86

[Text] La Paz, 22 Jan (AFP) -- During the installation of his second Cabinet since he took office on 6 August 1985, President Victor Paz Estenssoro stated today in La Paz that we either survive together or we sink together.

At the installation ceremony, the chief of state confirmed 5 of his 18 ministers. Former Planning Minister Guillermo Bedregal was installed as foreign minister and former Finance Minister Roberto Gisbert was installed as industry and commerce minister.

Gonzalo Sanchez de Lozada, a prominent mining industrialist and the current Senate president, will take over as planning minister. Juan Careaga, one of the most influential private bankers of Bolivia, will be the new finance minister.

Based on these key changes, Paz Estenssoro has announced that he will continue his neoliberal policy, first because the country has no alternative if it wants to overcome economic disaster and second, because that is the only way to obtain international assistance.

On behalf of the new Cabinet, the new foreign minister thanked Paz Estenssoro for his appointment and promised that he and his colleagues would be worthy of the president's trust. This is the new Cabinet:

Minister of foreign relations and worship: Guillermo Bedregal Gutierrez (former planning minister)

Minister of interior, migration and justice: Fernando Barthelemy (confirmed)

Minister of planning and coordination: Gonzalo Sanchez de Lozada (current president of the Senate and prominent mining industrialist)

Minister of finance: Juan Careaga

Minister of education and culture: Enrique Ipina Melgar (confirmed)

Minister of labor and labor development: Walter Rios Gamboa (former member of the National Electoral Court)

Minister of agriculture, livestock, and campesino affairs: Edil Sandoval Moron (senator, he held this ministry during Colonel Alberto Natusch Busch's regime)

Minister of transport and communications: Andres Petricevich (deputy of the ruling Nationalist Revolutionary Movement, MNR)

Minister of industries and commerce: Roberto Gisbert (formerly minister of finance)

Minister of defense: Luis Fernando Valle (confirmed)

Minister of aeronautics: General Antonio Tovar Pierola (confirmed)

Minister of housing and urban affairs: Franklin Anaya (MNR deputy)

Minister of energy and hydrocarbons: Carlos Morales (president of the Confederation of Bolivian Private Businessmen, CEPB)

Minister of mining and metallurgy: Jaime Villalobos

Minister of information: Erlan Antelo

Minister of integration: Fernando Caceres (confirmed)

Private presidential secretary: Juan Carlos Duran (MNR deputy and minister under General Celso Torrelio Villa's regime 1981-1982)

Minister of public health and social services: Carlos Perez (MNR deputy)

JUSTICE MINISTER CRITICIZES CABINET SHUFFLE

PY221237 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jan 86 p 4

[Text] Brasilia -- Justice Minister Fernando Lyra yesterday criticized the manner in which President Jose Sarney is conducting his Cabinet shuffle, saying that it was "a mistake from the beginning and that it may create serious problems for the president. Lyra abandoned the cautious manner in which he has been expressing himself lately on his disagreement with the Cabinet change, which includes himself, and he spoke about all the negative points he believes exist in Sarney's reform schedule. He started by criticizing the manner in which the cabinet change was announced "without any political strategy," and at an inopportune time, in November.

Lyra believes that it has been too long between the announcement and the actual change. He pointed out that it has harmed all the ministries because the current ministers do not feel any motivation to start new programs they will not be able to finish. Lyra believes that the discussions are too centered on the election of new ministers without including the large status companies, "many of which are more influential than certain ministries."

The minister said that the subject should have been treated differently: The announcement of the reform and the actual changes should have taken place simultaneously so as not to hinder the administrative apparatus.

Questioned as he was leaving the president's office after a routine visit, Lyra did not guarantee, as he did last week, that he would leave his post in February, 3 months before he is allowed to do so as a deputy. On the contrary, he justified that there is no reason for submitting an en masse resignation, "since it is known that each ministry and minister has different problems."

Lyra believes that the president of the party, Ulysses Guimaraes, acted hastily when he proposed a mass resignation before even talking with his fellow party members. However, Lyra praised Ulysses' decision not to propose any candidates for ministers to President Sarney.

"The party has its cadres; the president will choose whomever he approves, whomever he believes should be his direct aide," Lyra said, adding that he has already made an important concession to the parties by assigning them Cabinet posts.

Lyra added: "If the president decides to give the same ministries to the Brazilian Democratic Movement Party (PMDB), the cadres are at his disposal. To impose names is totally incorrect."

Speaking as he left Planalto Palace, Lyra criticized the expression "Sarney's cabinet," as the group of ministers to be installed after 15 February is becoming known.

"It will not be a Sarney cabinet, because it will continue to be a Democratic Alliance cabinet with the same correlations of forces," he concluded.

MINISTER CONFIRMS BORDER SECURITY OPERATION

PY162058 Rio de Janeiro O GLOBO in Portuguese 15 Jan 86 p 6

[Text] Brasilia -- Navy Minister Henrique Saboia confirmed yesterday that more troops have been sent to the Colombian border. According to him, "the situation in the region is a little tense and has been causing us some concern."

The minister did not want to confirm that concern about the M-19 [19 April Movement] was the main reason for the reinforcement of troops along Colombian border. The decision was made during the military ministers' work luncheon.

Questioned on the subject, Army Minister Leonidas Pires Goncalves said that the M-19 did not worry him: We have sent a company to Sao Gabriel de Cachoeira, more than 400 km from Tabatinga, where President Sarney will be on 30 January. This 100-man company is deployed in 3 groups so as not to announce its presence or create rumors. There has been no operation or contact with potentially unfriendly groups. This is the truth.

HEALTH MINISTER CARLOS SANTANNA RESIGNS

PY201617 Madrid EFE in Spanish 1308 GMT 20 Jan 86

[Excerpt] Brasilia, 20 Jan (EFE) -- The first crisis within the Cabinet of the New Republic set in today with the resignation of Health Minister Carlos Santanna, it was reported here today.

His resignation heralds the Cabinet crisis that will allow President Jose Sarney to appoint his own ministerial team on 15 February. Minister Santanna took the initiative ahead of his colleagues and resigned while the concept of collective or individual resignation of the Cabinet continued to be discussed in Brasilia.

The ministerial crisis, the first since democracy was reestablished in Brazil nearly 10 months ago, after 21 years of authoritarian military regimes, was triggered by the decision of several ministers to run in the congressional elections next November.

Electoral law provides that candidates for elective office must resign any public position 9 months before the date of the elections in order to legally qualify as candidates.

In official circles today it is estimated that 12 of the 27 Cabinet ministers will resign in order to run in the upcoming elections.

ARMY TO BUILD ELECTRONIC INSTRUCTION CENTER

PY150000 Brasilia Domestic Service in Portuguese 2100 GMT 14 Jan 86

[Text] Army Minister Leonidas Pires Goncalves today reported that in 1986 the Army will begin to build an electronic instruction center. He noted that the center's activities must encompass instruction, communication, and informatics. The Army staff has already established a commission to coordinate the study and implementation of electronic military program activities. This commission is already working on regulations and the training of personnel.

During an interview, the Army minister said that at present the most important task of the military is to support other sectors of the national government, thus strengthening the constitutional government and (?Brazilian society in general).

FUNARO PLEASED WITH BANKING SECTOR AGREEMENT

PY181457 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 18 Jan 86

[Text] Finance Minister Dilson Funaro has expressed his pleasure over the agreement that has been reached with the international banking sector. Funaro said that more important than the extension of the credits is the fact that Brazil is the first country that has been able to sign an agreement with creditor banks without having to resort to achieving a formal agreement with the IMF. The finance minister said: Such agreements with the IMF are a thing of the past.

BRASILSAT 2 LAUNCHING RESCHEDULED FOR 26 FEBRUARY

PY201603 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Jan 86 p 29

[By Mauricio Bonas]

[Excerpt] The launching of Brasilsat 2 had initially been scheduled for August 1985. It was postponed until December. Less than 30 days before the new date, its launching was postponed until 14 February, but the rescheduling did not stop there: It was decided last week, after several meetings of Embratel directors with technicians of the Canadian Spar Aerospace Company and of the U.S. Hughes Satellite Company, to make new plans for the launching of Brasilsat 2, a domestic communications satellite that will serve as strategic backup for the Brasilsat 1 that was placed in orbit early last year from the Kourou base in the French Guyana.

For the time being, the launching is scheduled for 26 February, but this date may yet be changed depending on the results of the flight number 16 of Arianespace on 16 January. If everything runs well, the Brasilsat 2 launching date will be confirmed automatically. According to Embratel, the postponements had to do with the international launching timetable of the Arianespace, and also with the failure of an Ariane rocket (V-15) during its lauching in October 1985.

SCIENTISTS CRITICIZE NUCLEAR RESEARCH PROGRAM

PY212048 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jan 86 p 5

[Excerpts] The parallel nuclear program being developed by the National Commission for Nuclear Energy (CNEN), described in the Sunday edition of O ESTADO, is to be criticized because of its involvement with projects of military interest, such as the atomic-powered submarine and the Brazilian atom-bomb.

This criticism was made last night in Rio de Janeiro by the physicist Luiz Pinguelli Rosa, former president of the Brazilian Society for the Advancement of Science (SBPC) and present director of the Coordination Board of Postgraduate Programs Engineering (COPPE) of the Federal University of Rio de Janeiro. When he criticized the parallel nuclear program, Pinguelli Rosa defended the idea that the country's scientific community should be heard with regard to nuclear research.

Brigadier Tercio Pacitti, former rector of the Technical Institute of Aeronautics (ITA), and present engineering director of the Brazilian Air Force, also defended the idea that the scientific community should be consulted about the parallel nuclear program being developed by the CNEN.

Scientist Fernando Claudio Zawislak, researcher of the Federal University of Rio Grande do Sul and member of the Nuclebras Nuclear Program [Brazilian Nuclear Corporations Inc] Evaluation Commission, was very cautions when he spoke yesterday in Porto Alegre about the parallel nuclear program being developed by the CNEN. He said he was not informed about that program but termed the existence of two parallel programs "absurd."

Professor Zawislak said he did not know about the work being carried out by the CNEN. According to Zawislak, the matter has been mentioned in congresses and meetings of scientists and technicians in the nuclear field, but he is not acquainted with the CNEN's laboratories or the technology that it is being developed. Zawislak concluded from information that the CNEN president ~~gave~~ to O ESTADO that the "only thing that could possibly be discussed is the uranium enrichment program that is also being developed by Nuclebras."

EVACUATION PLAN DISCUSSED FOR NUCLEAR PLANT AREA

PY202115 Rio de Janeiro O GLOBO in Portuguese 19 Jan 86 p 18

[Text] The two meetings already held among government scientists, ecologists, and experts in the nuclear field to discuss an evacuation plan for the Angra dos Reis population in case of a radioactive accident in the Angra I nuclear power plant are yielding good results. According to information supplied by Deputy Lizt Vieira, the president of the Rio de Janeiro legislative body ecological studies commission, the plan will be changed in order to allow for a greater participation of the civilian population. The scheme for disseminating this plan among the Angra dos Reis population will be redrawn.

Vieira stated that "the new cooperative thinking among the governmental agencies related to the nuclear energy field is very important. Another outstanding development is the fact that they have changed their minds and withdrawn the character of ultra confidentiality surrounding this issue. An example of this change is that a complete copy of the formerly secret evacuation plan will be submitted to a commission recently created made up of the Civil Defense organization, Furnas [a state electric power company] ALERJ [expansion unknown] and local Angra I staff.

In addition, Vieira reported that in March -- during the resumption of ALERJ operations -- the ecological studies commission will hold a seminar to discuss the population's evacuation plan at a technical level.

RELATIVES PROTEST ARREST OF SUSPECTED GUERRILLAS

PY221056 Paris AFP in Spanish 2230 GMT 21 Jan 86

[Text] Temuco, 21 Jan (AFP) -- Relatives of 22 students arrested in southern Chile and charged with participating in a guerrilla commando group today refuted the charges against them and asked that the students, among whom there are five women, be released. They are all innocent and do not belong to any extremist organization whatsoever, the relatives stated during an emotional press conference held at the Temuco bishopric, 700 km south of Santiago. Agents of President Augusto Pinochet's military government arrested the students near Temuco and charged them with belonging to a guerrilla training school of the banned Communist Party, according to official reports released on 18 January.

However, relatives of the youths led by Jimena Ramirez and Domingo Jineo explained that the students were arrested on 16 January while setting up a summer camp in a rural area. Gonzalo Rovira, vice president of the Chilean Student Federation (FECH), stated that the arrest of the students is part of a campaign aimed at repressing and frightening away those who participate in student volunteer summer task forces. The arrested students are awaiting the decision of Judge Advocate Rodolfo Kaufhold, who must decide by 22 January whether to release the students or bring them before the court for jeopardizing national security. This is the second time the government has reported insurgent activities in the area after seven guerrillas of the clandestine MIR (Movement of the Revolutionary Left) died in a clash with Army units in the Neltume forest in mid-1981.

SOCIALISTS WITHDRAW FROM DEMOCRATIC ALLIANCE

PY230143 Madrid EFE in Spanish 2352 GMT 22 Jan 86

[Text] Santiago, 22 Jan (EFE) -- The Chilean Socialist Party [PS] today officially announced its "temporary" withdrawal from the opposition coalition "Democratic Alliance" [AD]. The AD, which, besides the Socialists, includes the Christian Democrats, the Radicals, the Republican Rightists, and the Social Democrats, is a coalition representing the so-called "democratic opposition parties." PS leader Ricardo Lagos has stated that the socialists have agreed to "temporarily" withdraw because the efforts of the opposition, including the Marxists, to achieve a united strategy have failed.

BRIEFS

DEPUTY COMMANDER INSTALLED -- Brigadier General Hernan Chacon Soto was installed on 3 January as the new deputy commander of the 6th Army Division. He replaces Brigadier General Julio Andrade Armijo, who has been transferred to Santiago. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 5 Jan 86 p 18 PY]

FOREIGN MINISTRY COMMENTS ON GUATEMALA MEETINGS

PA222327 Bogota EL SIGLO in Spanish 19 Jan 86 pp 1, 3

["Communique" issued by Foreign Ministry -- no place or date given]

[Text] On the occasion of President Belisario Betancur's visit to Guatemala City to attend President Vinicio Cerezo's inauguration, the following diplomatic efforts were carried out:

1. On Monday night [13 January] the Contadora Group, Support Group, and the five Central American countries held a meeting at the Venezuelan Embassy. At this meeting the Central American foreign ministers were presented with the Caraballeda message signed the weekend before in Venezuela, in which the Contadora Group and the Support Group foreign ministers stated that in response to the increasing threats against peace in Central America, and in response to the risk of a diplomatic void that will increase tensions in the region, it is urgent and necessary to give renewed motivation to the negotiation process promoted by the Contadora Group. The negotiation process should lead as soon as possible to the signing of the Contadora Document for peace and cooperation in Central America, the only way to ensure a general political understanding that will allow respectful, peaceful, and productive coexistence among all of the countries in the region.

The foreign ministers confirmed that after 36 months of negotiations, there are still attitudes and situations that make it difficult to reach a general and comprehensive agreement which will allow us to overcome the climate of hostility, control the arms race, foreign intervention, and policies of force. Consequently, in an effort to recreate the climate of confidence needed, which will ensure the political will of the sides in conflict for the signing of the Contadora Document for Peace and Cooperation in Central America, they feel that the following are necessary:

A. To define the permanent bases for peace in Central America;

B. Establish the actions necessary to ensure the fulfillment of those bases and promote reciprocal confidence;

C. Immediately carry out diplomatic efforts to ensure explicit support for these bases and actions by all of the sides directly or indirectly involved;

D. Offer their good offices for other necessary efforts;

E. Carry out the pertinent tasks to hasten the signing and implementation of the Contadora Document for Peace and Cooperation in Central America.

In Guatemala the Central American countries pointed out the importance of the document in question, especially the actions it establishes in order to achieve lasting peace in the region. They also expressed a desire to issue a declaration whereby Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua would support the Caraballeda message, showing their political will to conclude the negotiations promoted by the Contadora Group, and endorsed by the Support Group. The Guatemala declaration was thus signed in the presence of President Betancur in Guatemala City, and under the current circumstances with the worsening of the crisis in Central America, this constitutes excellent news for peace-loving peoples.

2. The Contadora Group and the Support Group immediately initiated the diplomatic efforts that will guarantee the implementation of the intentions and actions established in the Caraballeda message. They will present the document to the secretary general of the United Nations, to the OAS, EEC, the Governments of Canada, United States, Cuba, and other countries with interests and ties in the region. In this regard the ambassadors to Colombia and heads of missions to international organizations have received instructions so that in the company of their colleagues of the Contadora Group and the Support Group, they can carry out before their respective governments and corresponding international organizations the efforts necessary to obtain explicit support for the Caraballeda message.

3. President Belisario Betancur granted an interview to Nicaraguan President Daniel Ortega, which had been officially requested by the Nicaraguan Government through its embassy in Bogota. On this occasion the two presidents had the opportunity to make a broad analysis of the Central American situation. President Betancur insisted on the urgency of reactivating the negotiation process within the spirit of the agreements made in the Caraballeda message. Meanwhile, the Nicaraguan president reiterated his government's explanations regarding events related to the attack on the Palace of Justice in Bogota. Providing new explanations and expounding the earlier ones, the Colombian president reiterated the statements made by the Colombian Foreign Ministry in its diplomatic messages to the Nicaraguan Government.

4. Colombian Deputy Foreign Minister Guillermo Fernandez de Soto, in addition to accompanying the president to the official inaugural events, participated in the Contadora Group and Support Group meetings, and in the conversations of the Central American foreign ministers. He attended a luncheon offered by the Spanish foreign minister, attended also by EEC Commissioner Claude Cheysson, during which the Spanish foreign minister presented a communique that pointed out the Spanish Government's full solidarity with the Contadora negotiation process, and offered its collaboration before the EEC, to explain the scope of the Caraballeda message and the Guatemala declaration. Fernandez de Soto also participated in a news conference at the Guatemalan National Palace with the Contadora Group and Support Group foreign ministers, at which they explained to the international public the importance of the Guatemala declaration.

5. The activities carried out, the results obtained, and the new efforts the Contadora Group is carrying out allow us to hope that the diplomatic negotiation process now explicitly supported by 13 Latin American countries will shortly establish the definite bases for the signing of the Contadora Document for peace and cooperation in Central America.

6. Meanwhile, President Betancur presented a letter with important considerations regarding the coffee issue to his Central American colleagues, reaffirming the theory Colombia has maintained in response to this current international problem.

GOVERNMENT REJECTS EMERGENCY DECREE ON COFFEE

PA222208 Bogota Television Service in Spanish 1730 GMT 21 Jan 86

[Ricardo Canon report from the Narino Palace]

[Text] Today, the government decided to adhere to the State Council decision not to declare a new economic emergency to manage the coffee bonanza.

At the same time, Finance Minister Hugo Palacios Mejia announced that in the coming hours the government will present to the Congress a bill containing the executive's proposals for managing the coffee bonanza. The economic affairs minister [title as heard] will meet with directors of the Senate and the House, as well as with representatives from the Third Constitutional Commissions of both chambers, in the next few hours to decide whether or not it is necessary to extend the period of extra sessions to which Congress has been summoned.

[Begin unidentified speaker recording] The president of the republic and the Council of Ministers today agreed to follow the recommendations of the State Council regarding the presentation to the congressional chambers of the bill necessary to make the best use of the magnificent opportunity for the country provided by the coffee bonanza. The bill obviously reflects the government's ideas on how to capitalize on the extraordinary resources that Colombia will receive from coffee exports, and will also try to adhere, as much as possible, to the subjects and points of view that have been agreed upon with the coffee producers during these past few days. [end recording]

'DEATH TO JUDGES' GROUP ISSUES THREATS

PA190300 Bogota EL SIGLO in Spanish 15 Jan 86 pp 1, 2

[Excerpts] "If prompt and effective justice is not applied, the country's judges will be tried and several of them will be executed," was, among others, one of the emphatic warnings issued by members of the self-styled "Death to Judges" movement [Muerte a Jueces -- MAJ]. The message was delivered to Jesus Alcides Guerra Restrepo, a customs judge who was released safe and sound after the MAJ kept him for 15 hours. Regarding the message that the MAJ members delivered, the judge said that "these individuals demand that the judges of the country apply prompt and effective justice or the blood of several judges will run."

Guerra Restrepo, whose important investigations include the death of Judge Alvaro Medina Ochoa, murdered in April 1985, praised the capability and honesty of the country's judges and regretted that Colombia does not have the necessary means to apply effective justice. "The judges are the Cinderellas of the public sector," he noted. Referring to the MAJ members, Guerra Restrepo said that he believed they were lawyers or law school students because of their use of legal jargon exhibited during the 2 hours of dialogue they held in which they criticized the administration of justice.

Several members of the law sector rejected the radical position of the self-styled MAJ and said that they were shocked at the warnings because they are all aware of the effectiveness of Colombian judges. Meanwhile, Edgar Escobar Lopez, president of the Superior Court of Medellin, asked the authorities to provide greater security for the magistrates and the judges of the Republic, especially for those who are involved in delicate investigations.

TERAN EXPLAINS PRESIDENT'S COMMENTS IN U.S.

PA222243 Quito Voz de los Andes in Spanish 1130 GMT 22 Jan 86

[Excerpts] President Leon Febres Cordero's administration has again asserted that elections will be held as scheduled because they are mandated by the Constitution. As stated by Foreign Affairs Minister Edgar Teran, these processes are a responsibility that our country cannot shirk.

[Begin recording] It is of utmost importance to note that President Febres Cordero explained two basic principles of his government to the international press. The first such basic principle is to move forward with the restoration of the constitution system so that all Ecuadoran citizens will have the right, which they now enjoy with inadmissible restrictions, of running for elective office. The Ecuadoran Constitution currently limits this right because it provides that one must have previously joined a political party to exercise it. The president explained that he will do his utmost to establish full democracy.

He told the reporters that the other mission of his government is to refurbish the economy. He rapidly and succinctly outlined the manner in which the economy has been partially rebuilt and how we have entered the stage of economic growth.

I believe that his speech was of great importance for Ecuador. The president outlined before the international press the status of our democratic system and his intention to fully restore the people's right to run for elective office. It is for this reason that this speech was important and, obviously, that is why some people became irked or enraged and raised a stir here in Ecuador. The issue of the elections was not discussed with the U.S. authorities. The topic had been included in a speech before the president left, 2 weeks after he submitted the amendments to Congress, and it was raised before the international and U.S. press. [end recording]

'NEW' GUERRILLA GROUP OCCUPIES QUITO MONUMENT

PA221901 Paris AFP in Spanish 1811 GMT 22 Jan 86

[Text] Quito, 22 Jan (AFP) -- A new subversive armed group, the self-styled Free Homeland Montoneras [Montoneras Patria Libre] (MPL), emerged at dawn today in Quito, where it occupied the Independence Heroes Monument, subduing four military guards and seizing their weapons. The group also stole other weapons belonging to a museum of the emancipation era and hoisted a red and white flag. The operation was carried out at 0400 on the slopes of the Pichincha, where the last battle for Ecuador's independence was waged. After completing the action, the subversive group distributed a communique proclaiming "their absolute right and duty to raise the people's insurrection against the oligarchy."

The MPL emerged 2 days after Defense Minister General Luis Pineiros said that "there are no guerrillas in the country, as guerrilla groups must have a political motivation. What we have here is a gang of criminals who have not managed to create any unrest in the country."

The other movement that has been operating in Ecuador for 3 years is the Alfaro Lives group.

MONZON: ARMY STUDYING ARMS REDUCTION

PY211430 Lima Panamericana Television in Spanish 0300 GMT 21 Jan 86

[Excerpts] Major General Guillermo Monzon Arrunategui, chief of the Armed Forces Joint Staff and Army commander, criticized today's terrorist attacks and said that terrorism is gradually being brought under control.

Gen Monzon made these comments after the inauguration of the 36th national defense course, opened at the Center of Advanced Military Studies and attended by 89 high-ranking Armed Force and Police officers.

[Begin recording] [Unidentified reporter] Peru and Chile have started talks on the need to reduce arms. What is the Army's point of view?

[Monzon] We share the government's way of thinking, so we must regard it as an initiative that deserves to be taken into account, but we also believe that the Army and the entire Armed Forces must move according to the political guidelines established for them by the government. Therefore, we hope that once we are fully acquainted with these guidelines we will be able to work on this issue. For the time being, we are carrying out preliminary studies on everything concerning this initiative. [end recording]

WAR MINISTER VIEWS ARMY, FIGHT AGAINST REBELS

PY222045 Lima CARETAS in Spanish 13 Jan 86 pp 18, 19

[Interview with War Minister Army General Jorge Flores Torres by reporter Jose Gonzales -- date and place not given]

[Text] [Gonzales] This year we have seen fewer promotions and more retirements. Is everything harmonious between the Army and government?

[Flores] Since our Constitution was proclaimed in 1980 we have always acted according to it, and there is no reason to change. Because of the dramatic situation of our country in the last few years, all sectors must obey all constitutional laws and give their full support to this government, which is clearly showing its will to improve conditions in Peru, mainly those of the large majority, which has traditionally been neglected. The Armed Forces share this concern. Therefore, there are coincidences that make our decided support for President Alan Garcia's government understandable.

[Gonzales] Has a structural change started? Do you believe in a different Army for the 21st century?

[Flores] I believe the current situation of the Army indicates in general what the Army will look like in the next century, at least so long as regional strategic conditions do not vary significantly. We currently have a powerful Army equipped with the most advanced technology available to countries like ours. I believe we should maintain this level of power to be able to solve our defense problems within our region, but we should also try to become more self-sufficient. We have reached this level mainly in the naval field, while the Air Force and the Army have also made great progress.

I believe that by the year 2000 we will be able to supply our land forces, at least in basic things such as unsophisticated combat vehicles. The Army is also working to attain a force in keeping with our needs with a reduced number of active members but with many troops that can be summoned in an emergency. In the next century we should have a small active Army with well-trained reserves that can be mobilized quickly but represent only a deterrent force.

[Gonzales] In any case, the reduction is already apparent. Six division generals have retired; two of them were asked to retire, and the four others did so voluntarily. However, only four were promoted in their place.

[Flores] There are several reasons for retiring some brigade and division generals. First, it has been done for renewal. The law allows us to ask for the retirement of brigade generals, five services generals [generales de servicios], and up to three division generals. This will create better operating conditions within the Army.

Austerity is also a reason, but mainly it is because we are making some readjustments in the Army organization to try to obtain more rational control. We are trying to further reduce the number of high-ranking officers without affecting the Army's operational capability, and we will continue with this plan. This not only affects generals, since it is also our intention to reduce the number of active-duty personnel in order to have an Army with fewer active members.

[Gonzales] General Adrian Huaman was relieved of duty in August 1984, and the same thing happened to General Sinesio Jarama, in the 2d Military Region, and General Wilfredo Mori in Ayacucho in 1983. These actions had to do with problems in the antisubversive struggle. What problems do you expect for this year?

[Flores] The antisubversive struggle will undoubtedly continue. The Shining Path is retreating, but it is not yet defeated. It can still react, but it is becoming increasingly weaker. We maintain that subversion will ultimately be defeated if we establish an all-inclusive strategy for the political, economic, psychosocial, and military fields. Since last August the government has adopted several positive measures in the political and economic fields which mark a total change in the strategy that has been followed so far, because the military factor used to be overemphasized. I believe the psychosocial factor should be improved. We need more efficient antisubversive propaganda. Subversion is mainly a psychological activity, an attempt to win the minds of weaker groups and influence middle groups that have claims.

[Gonzales] And what about the military aspect?

[Flores] I believe our operations strategy should not vary much in military matters. We have had to improvise tactical procedures in the emergency zone because the Shining Path is a unique organization. It does not seem logical to change a successful strategy by instituting new operational procedures. What we are really doing is insisting on greater respect for human rights so as not to have more cases like Pucayacu and Accomarca, which we totally repudiate not only for humanitarian reasons but also because we are interested in keeping our personnel away from any demoralizing or criminal tendencies. We are emphasizing community support, and we are ready to grant security to members of the government who work in the emergency zone, because it is known that in the past subversives have forced officials to abandon their work. Now they are returning.

MANY WOUNDED IN SHING PATH BOMB ATTACKS

PY211919 Madrid EFE in Spanish 0312 GMT 21 Jan 86

[Excerpt] Lima, 20 Jan (EFE) -- According to police sources, at least 17 people were wounded today during terrorist attacks here and in northern and central cities.

In Cerro de Pasco, in the central mountain range area, alleged members of the "Shining Path" Maoist group perpetrated bomb attacks against six public buildings, including a plant belonging to the state-owned mining enterprise Centromin and the headquarters of the governing American Popular Revolutionary Alliance (APRA), where a mothers' meeting was being held.

In this attack the majority of the 11 casualties were women, but 2 girls and 1 boy were also injured. The APRA premises were destroyed. One worker was seriously wounded during the bomb expolsion at Centromin, where a high-tension transformer was dynamited. This explosion caused a break in energy supply.

SUBVERSIVES BREAK INTO RADIO, BROADCAST MESSAGE

PY221307 Lima Radioprogramas del Peru in Spanish 2330 GMT 21 Jan 86

[Excerpts] The Peruvian Investigative Police [PIP] antiterrorist department has disclosed the names of subversives who broke into the studios of Radio Bahia in Chimbote. The subversives broke into the studio to broadcast a subversive message. The subversives are now at the Chimbote provincial jail, where they are being questioned.

It has been reported that Republican Guard Corporal Jose Burgos Mora, who was wounded during the subversive attack, is recovering from his injuries.

APRA DEPUTY CRITICIZES PEACE COMMISSION

PY211443 Lima Radio del Pacifico in Spanish 1200 GMT 21 Jan 86

[Text] Alberto Valencia, deputy of the APRA [American Popular Revolutionary Alliance], has said he is disappointed by the work carried out by the Peace Commission, because it has not achieved the pacification of the country, which was the mission entrusted to it by President Garcia Perez. He said that as far as he knows the commission is not following any plan or strategy to counteract violence in Ayacucho Department. Valencia expressed support for a change in the structure of the commission by including representatives of Ayacucho Department, such as the university rector, the local archbishop, the political-military chief of the emergency zone, congressmen, intendents, and all the people who are suffering the consequences of violence.

BRIEFS

NEW INTELLIGENCE CHIEF NAMED -- Edwin Diaz Zevallos has been appointed chief of the National Intelligence Service and Julio Velasquez Giacarini chief of the National Defense Secretariat. [Text] [Lima EL COMERCIO in Spanish 2 Jan 86 p A5 PY]

ARMY COMMANDERS SWORN IN -- During separate ceremonies yesterday, Army Commander General Guillermo Monzon Arrunategui swore in General Victor Gil Astete, new Army chief of staff; General Enrique Lopez Albujar Trint, Army inspector general; and General Alejandro Antunez de Mayolo Mendez, logistics commander. [Summary] [Lima El COMERCIO in Spanish 3 Jan 86 p A5 PY]

PRESIDENT SIGNS TWO INVESTMENT DECREES

FL221746 Mexico City NOTIMEX in Spanish 0030 GMT 22 Jan 86

[Excerpt] Mexico City, 21 Jan (NOTIMEX) -- President Miguel de la Madrid signed today two governmental decrees establishing behavior of investments registered from 1982 to the present. This policy will allow investments to satisfy work needs, exports, decentralization, and reconversion.

The president met with members of the National Confederation of Industrial Chambers, (Concamin), where he also signed an agreement establishing priority industrial activities implementing several measures and actions adopted by the federal government to stimulate industrial growth.

The decrees signed by President De la Madrid are a revision and adjustment of a regimen of stimulants for investments and industrial employment to meet the needs of the country.

FINANCE SECRETARY CALLS FOR ECONOMIC DISCIPLINE

FL221700 Mexico City NOTIMEX in Spanish 1400 GMT 22 Jan 86

[Excerpt] Mexico City, 22 Jan (NOTIMEX) -- Finance and Public Credit Secretary Jesus Silva Herzog has said that now, more than ever, it is imperative that Mexico submit to strict economic discipline to confront adverse phenomena, protect what has been achieved, and simultaneously create better conditions to permit the country's advancement.

Participating in a meeting with representatives from the National Confederation of Industrial Chambers, which was presided over today by Mexican President Miguel de la Madrid, Silva Herzog reiterated the government's intent to decisively advance the improvement of public financing and control inflation.

He said: If we work efficiently during the first 6 months of 1986, the situation will be favorable for the second half of the year.

To do this, he said, the effort will continue to avoid public sector prices and tariffs from falling behind due to inflation, but he clarified that this year adjustments have been made and increasing domestic savings is of singular importance.

The finance and public credit secretary said that combating increased prices continues to be a primary objective because the current inflation levels affect costs and normal growth of business as well as planning and the well being of the population. It is the phenomenon that contributes the most to inequality and injustice.

FOREIGN SECRETARIAT NAMES DELEGATION TO HONDURAS

FL221628 Mexico City NOTIMEX in Spanish 1550 GMT 22 Jan 86

[Text] Mexico City, 22 Jan (NOTIMEX) -- The Foreign Secretariat has reported that the president has made arrangements for Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa to head the Mexican delegation that will travel to Honduras to attend Jose Azcona Hoyo's presidential inauguration.

The delegation is composed of Grand Commission of the Chamber of Deputies President Antonio Riva Palacios, Ambassador and Under Secretary of International Cooperation Ricardo Valero, Mexican Ambassador to Honduras Francisco Correa, and Director General for Latin America and the Caribbean Ambassador Carlos A. De Icaza.

The Mexican delegation will be in Tegucigalpa from 25 to 27 January, where it will establish contacts with the new Honduran authorities and will evaluate measures aimed at a greater development of bilateral cooperation.

TRADE, TOURISM EXCHANGES WITH FRG MAY INCREASE

FL221658 Mexico City NOTIMEX in Spanish 1400 GMT 22 Jan 86

[Excerpt] Mexico City, 22 Jan (NOTIMEX) -- Lufthansa Director for Mexico and Central America Gerd Kuhlmaln has said that Mexico and Germany can increase trade as well as tourism.

The German official said his country and Europe in general are confident about Mexico's economy and its growth, which will be reinforced in 1986 by its GATT membership.

In reference to industrial exchange, the FRG is the second most important country to Mexico. Because of its GATT membership, it is possible that the FRG will be one of the countries with which Mexico will develop greater industrial exchange and tourism.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- National Defense Secretary General Juan Arevalo Gardoqui informed President Miguel de la Madrid that during the past 2 months the Mexican Army destroyed 808 hectares of poppy and 812 hectares of marijuana and confiscated 31,000 kg of marijuana, 711 kg of opium paste, and 41 kg of poppy seeds. Regarding the antidrug campaign, Gen Arevalo informed President De la Madrid that from 5 November to date the Mexican Army arrested 644 alleged drug traffickers. [Excerpt] [Mexico City XHDF Television Network in Spanish 0130 GMT 14 Jan 86 PA]

OFFICERS ANNOUNCE DETAILS OF JOINT MANEUVERS

PA212014 Panama City ACAN in Spanish 2201 GMT 20 Jan 86

[By Ana Cerrud]

[Text] Panama City, 20 Jan (ACAN-EFE) -- A total of 6,000 soldiers from Panama and the United States today began the joint military maneuvers "Donoso-86" [Kindle Liberty-86]. A group of 100 soldiers will be fictitious guerrillas whose objective will be to attack the Panama Canal. The Defense Forces Battalion 2000, which was created to defend the Panama Canal when it reverts to the Panamanian Government, "will be carrying out most of the counterinsurgency missions" taking place during the maneuvers,battalion commander Major Aquilino Sieiro pointed out today.

During a press conference, Sieiro said that the attacks will be directed against a fictitious group of 100 guerrillas who are becoming familiarized with the area of operations. During the joint exercises, which will conclude on 7 February, the conventional troops will carry out an air attack to secure the surrounding towns and "fulfill the final mission, which is the protection of the canal," he added.

Colonel Elias Castillo, chief of operations and training of the Panama Defense Forces and commander of the "Donoso-86" maneuvers, pointed out that "the Panama Canal is not defended from its banks; rather, it is defended border-to-border and from the Atlantic to the Pacific."

The Torrijos-Carter Canal Treaties, signed by Panama and the United States in 1977, guarantee that by the year 2000 the canal will be fully operated by the Panamanian authorities. The treaties also stipulate that Panamanian militarymen must be annually trained for the canal's defense until it is turned over.

A total of 1,000 Panamanian soldiers and 5,000 U.S. land, sea, and air soldiers will participate in the joint military maneuvers that will be held in the Panamanian Atlantic coast area in Colon Province in an area of 480 km [not further described].

Armored vehicles, howitzers, mortars, grenades, and mines will be used during the maneuvers and each soldier will have his individual equipment that will include an M-16 automatic rifle. Live ammunition will not be used.

Civic Operations, called "Costa Abajo-86," are named after the area where they will take place. Such actions include the construction of three bridges, a 14-km road, water works, schools, and a landing field for medical and veterinarian aid. The total cost of the maneuvers, both tactical and civic, amounts to approximately $50 million, including salaries, transportation, and equipment, and will be paid mostly by the U.S. Government, Castillo said.

The U.S. militarymen participating in these maneuvers are members of the U.S. Army Reserves and the Corps of Engineers. The Panamanian Public Works Ministry, the "Tommy Guardia" Cartography Institute, and other nonmilitary institutions will participate in the civic maneuvers. Castillo explained that the exercises will be held in Costa Abajo, Colon, as this is an area where much of the produce is lost due to lack of adequate roads and in view of the precarious living conditions in the area.

COSTA RICA

MONGE MEETS U.S. ENVOY, TO MISS AZCONA INAUGURAL

PA221623 San Jose Radio Impacto in Spanish 1830 GMT 21 Jan 86

[Report by Gretel Tinoco]

[Excerpts] The Anglo-Costa Rican Bank has inaugurated a branch office in Alajuela. President Luis Alberto Monge, Presidency Minister Danilo Jimenez Veiga, and bank officials were present at the ceremony.

Following the ceremony, President Monge made a statement for the press. In the statement he ruled out the possibility of attending the inauguration of Honduran President Jose Azcona. Monge said it is not advisable for him to leave the country at this time, and therefore he must decline the very special invitation he received from the Honduran president-elect. Here is his statement:

[Begin recording; in progress] ...[words indistinct] President-elect Azcona has cordially reiterated his invitation. Of course, there will be other opportunities, and I have extended to him an invitation to visit Costa Rica. [end recording]

President Monge also referred to his meeting yesterday with Harry Shlaudemann, the U.S. roving ambassador to Central America, during which they discussed the document issued by the Contadora Group's foreign ministers following their meeting in Caraballeda, Venezuela. Here is President Monge's statement regarding the document and his meeting with Harry Shlaudemann:

[Begin recording; in progress] ... most of all to interpret the real scope of the Caraballeda declaration. There is confusion after the Guatemala and Caraballeda meetings about whether the fact that Nicaraguan Foreign Minister D'Escoto signed the document means that Nicaragua is willing to change its position and open a dialogue with the opposition groups, including the rebels and armed groups. This is not clear to the United States, nor to us. We do not know if this means that Nicaragua is willing to begin talks, which it has refused to do in the past. [end recording]

OPPOSITION POPULAR ALLIANCE PUBLISHES 'PLATFORM'

PA221956 San Jose LIBERTAD REVOLUCIONARIA in Spanish 10-16 Jan 86 pp 2, 3

["Government Platform" issued by the Popular Alliance; date not given]

[Excerpts] Preamble

Most Costa Ricans are suffering the consequences of the irresponsible policies pursued by the two parties that have been taking turns at power for more than 40 years. These two parties have been known to voters under the names of the National Liberation Party [PLN] and the Social Christian Unity Party [PUSC].

To vote for a change means to vote for the Popular Alliance. The victory of the Popular Alliance will mean the establishment of the first popular government in Costa Rica's history. For the first time, the hopes of all those who have struggled for social justice in our history will come true.

The Costa Rican people know the Popular Alliance's leaders and followers, its struggle, firmness, ideas, and stance during the 1978 and 1982 elections. Headed by Dr Rodrigo Gutierrez Saenz, the party has been denouncing the traditional parties and proposing a genuinely popular platform.

It will be possible to achieve the plans outlined based on the following Popular Alliance platform.

Measures To Tackle the Economic Crisis

Unjust international economic relations have led to such a large debt that we are all on the verge of drowning. In addition, this indebtedness has allowed the financial organizations dominated by U.S. imperialism to manage our economy as they wish and for the exclusive benefit of transnational enterprises and the oligarchy. For these reasons, it has been impossible, thus far, to prepare a real national plan for economic development. We must reaffirm our independence before the IMF and the World Bank.

In order to achieve these goals, the people's government, to be headed by the Popular Alliance, will implement the following measures:

1. Promote a development plan for our national economy.

2. Nationalize foreign trade.

3. Refrain from paying our foreign debt except for very exceptional cases, but never exceeding 10 percent of the total foreign exchange obtained from exports.

4. Struggle at the United Nations and other international forums and with all the means available for the establishment of a new international economic order.

Better Living Conditions for the People

The first measures of the Popular Alliance's government will be immediately aimed at raising the people's standard of living. This is our response to the impoverishment provoked by the crisis generated by the PLN and PUSC. In order to achieve this, we will implement the following measures:

1. Decree an immediate general wage increase.

2. Freeze the prices of staple goods, as well as water, light, telephone, and transportation tariffs.

3. Immediately create thousands of jobs to curb unemployment.

4. Create a subsidy for the unemployed.

5. Develop a popular housing plan.

6. Establish a health system that will adequately cover the population's needs.

7. Guarantee free public education at all levels.

8. Reform the tax system in order to make it more just.

9. Through the state guarantee the proper use of foreign exchange, particularly of dollars obtained from exports.

Higher Standard of Living in Rural Areas

Injustice and misery prevail in our rural areas. According to official figures, the income of 85 percent of the peasant families is lower than that needed for staples and a normal life. Landless peasants are the best example of this injustice. A few landlords, such as United Brands, Bandeco, and Standard Fruit Company, have monopolized the best lands. When these landless peasants seek to cultivate a land tract they are generally and brutally repressed by the police. These injustices can be corrected only through true agrarian reform, and this can only be realized with a Popular Alliance government.

Defense and Expansion of Democratic Rights

In recent times, important democratic rights of Costa Ricans have been seriously curtailed, particularly the workers' right to organize and express their demands. Simultaneously, there has been a marked trend toward the militarization of repression against the people. The reactionary concept of "national security" has prevailed in many activities by police organizations, particularly the Public Security Ministry. To top it off, many outrages are also committed in the judicial branch.

A government of the people is necessary to guarantee the people's democratic rights. A Popular Alliance government will promote legislative amendments that will guarantee respect for the human rights of the people.

The Rights of the Family

It is not enough to say that the family is the basis of our society. It is necessary to create conditions for the family to grow and develop in an atmosphere that will foster the spiritual and physical development of human beings. This goal can only be reached based on true social justice -- that is, based on a just distribution of wealth.

The state and the people's organization must give special protection to children, mothers, the elderly, and the ill.

Defense of Natural Resources and the Natural Environment

Our natural wealth must be carefully guarded. As is public knowledge, the main enemies of poor countries' natural resources are the foreign monopolies that exploit them in order to obtain high profits. The local entrepreneurs do the same. The Costa Rican Government must pass the necessary legislation and adopt strict measures to defend our forests, soil, and rivers, as well as the resources of the sea and minerals. We must also defend our natural environment, which means defending life on earth.

An International Policy of Peace and Respect for all Peoples

In this era, the main problem afflicting mankind is securing peace and eradicating the threat of a nuclear war that could wipe mankind from the earth.

In order to achieve peace, it is necessary to end the arms race and enforce the principle of nonintervention by any country in the internal affairs of another state. It is necessary to respect the self-determination of peoples -- that is, their right to have the government that best suits their interests without any foreign intervention. These principles are constantly being violated in Central America. In complicity with other Central American governments, the United States maintains a war of aggression against Nicaragua, using Honduras and our own country as a base for this mercenary intervention.

In spite of having proclaimed neutrality, the truth is that President Monge's administration has allowed mercenary bands to operate from our territory against Nicaragua. This must definitely come to an end.

In order to help preserve world peace and defend Central America from intervention and war, the Popular Alliance government will develop an international policy based on the following principles:

1. The government will relentlessly seek peace, understanding, and respect among nations. Each nation will be free to exercise its right to self-determination. In case of conflict, we will seek solutions through negotiation and dialogue. We will support the efforts of the Contadora and Lima groups and any other effort that seeks peace in Central America and opposes the intervention of the U.S. military forces in this region.

2. Our country will participate as a full member of the Nonaligned Movement. In this manner, we will express our determination not to involve our country in any military bloc. At the same time, this decision will allow us to join efforts with other countries to achieve a common front for nonpayment of the foreign debt and for establishment of a new international economic order.

3. We will support all people fighting for liberation and independence. We will reject all plans for foreign domination or intervention. We will speak out for the independence of Puerto Rico and the complete decolonization of all the Americas and other continents of the Third World.

4. We will fully support the principle of nonintervention and will not allow our soil to be used to attack other countries. We will turn Costa Rica into a truly neutral state.

EL SALVADOR

DUARTE ANNOUNCES ECONOMIC AUSTERITY MEASURES

PA221528 San Salvador Radio Cadena YSU in Spanish 0402 GMT 22 Jan 86

[Speech to the nation by President Jose Napoleon Duarte on 21 January -- live or recorded]

[Text] Good evening. I address you tonight to say that for the past 25 years I have worked and struggled to serve the people, the humble, and the poor to attempt to find solutions to all of the country's problems. When I entered the presidential race and presented my government platform to you I was always sincere; I always sought to offer realistic solutions, and promised you that if I became president I would make every effort to face each and every one of the nation's problems. I said my administration would govern and make decisions, and that it would serve the people, the political cost of its actions notwithstanding.

It is my duty today to discuss economic problems. I will be frank and honest.

I ask the Salvadoran people to attempt to understand this economic crisis phenomenon and to assist me because I cannot deal with it alone. However, we can resolve these problems by working together and thus perform the miracle of bringing about a recovery of the Salvadoran economy. Allow me to begin by reading a written message. I will then explain all of the charts you see here so you may be aware of how this administration adopts major decisions that affect the country.

The economic, social, and political model our country has lived under has been ineffective in finding solutions to the Salvadoran people's basic problems. Structural reforms that constitute the foundation of El Salvador's democratic revolution were initiated to change this model and make it responsive to the people's will. The reforms touched all of the country's fields of endeavor: the social, political, foreign affairs, military, and economic spheres. In the social sphere we have given attention to priority needs, including preventive health, attention to displaced people, the promotion of social organization, training, education, and participation. As our efforts advance, we come closer to the attainment of our established goal. In the political sphere, we have geared our efforts toward the establishment of a democratic society by addressing the most important matters, including the establishment of constitutional rule, the legitimacy of political parties, pluralism, the holding of free elections, respect for human rights, freedom of expression, and the implementation of a dialogue. As we advance in our effort to organize these factors we are coming closer and closer to our political goal: a democratic society.

With regard to foreign affairs, El Salvador's democracy has garnered a great deal of prestige in the international community, while the progress it has made in human rights has been widely acknowledged. The negative appreciations have become positive ones and thus brought about the solidarity of the world's democratic governments, increased technical and financial cooperation, recognition for our democratic plans, and international respect and support for our electoral processes. All of these factors -- combined -- have created a new image of the present day El Salvador.

In the military arena several factors have evolved. These include the increased professionalism of our Armed Forces, the professionalization of criminal investigations, civilian society's increased respect for and cooperation with the Armed Forces have become a guarantor of political freedoms and constitutional rights. The organization of these issues has allowed us to advance with a firm step and seize the upper hand in the military realm. We must now seize the upper hand in the economic realm. We must advance toward the goal of a stable and just economic model. In order to do this, we must organize the economy through a program of economic stabilization and reactivation.

The main factors to take into consideration are: revenue, production, taxes, and the monetary, credit, and exchange factors. The program of economic stabilization and reactivation requires planning these factors in line with the interests of the majority of the people. A true economic reform is necessary in order to place the economy at the service of mankind and Salvadoran society, and not against it, as has been done for a long time.

In order to achieve this, my government -- elected by the people -- has decided to adopt the measures that our situation demands without demagoguery and regardless of the political costs, as long as we save the country and establish the bases for a new socioeconomic model that will seek the well-being of all Salvadorans without exception. I am willing to adopt the measures that history demands from me. Only through the conscientious and determined participation of everyone -- workers, peasants, businessman, women, youths, soldiers, professionals -- will we reach our goals. Shoulder-to-shoulder, we will reach the goals of the economic stabilization and reactivation program that I am outlining today in general terms for the Salvadoran people.

It is noteworthy that among the causes of the economic crisis there are: the rigid structures, the drop in the international prices of our basic export products, the heavy costs of national defense against the aggression of terrorism promoted by the USSR through Cuba and Nicaragua, the implacable destruction of our structures and production sources by terrorism, the flight of capital, and the increase in the cost of imports as a result of worldwide inflation. These factors have been eroding the purchasing power of the colon as compared to that of the dollar. This would have gotten out of hand had we not decided to take temporary measures some years ago by establishing a parallel exchange for use only as payment of the foreign debt, the import of articles essential for national production and for covering the urgent needs of the vast majorities.

In addition, we carefully and gradually passed most of the imports over to the parallel market so that only a few articles would be left in the official market. This change has gradually adjusted the parallel market. However, the type of subsidy we have given to those economic activities that remained in the official market is being granted to the imports that remained in that market, until we have reached a point where if this continues it will distort the national economy and result in uncontrollable devaluations, as has been the case in many Latin American countries.

In the process of economic improvement, we have decided to pass those few articles still ruled by the official exchange to the parallel market, thus stabilizing the colon to a single exchange rate of 5 colones to the dollar. Does this mean that we are now devaluating the colon? Not at all. The colon has been devaluating itself for several years now. On the contrary, with this new exchange rate and with the other measures we have adopted to correct the distortions of our economy, we Salvadorans are admitting this fact while simultaneously halting uncontrolled devaluation. An uncontrollable devaluation is something to fear. We must work hard to prevent this from happening. This is the most important measure of a political willingness, a willingness that all Salvadorans must adopt.

Likewise, we must understand that we must fight against the dollar black market. The difference between the exchange rate of 5 colones to the dollar and 4.90 colones to the dollar, which was the rate on the parallel market, is merely 2 percent. The articles that were still under the official market were petroleum and its byproducts, medicines, raw materials for production, and the import of basic foodstuffs. Fuel is the one article that affects almost all productive activities and social services. However, the new fuel prices will have very little influence on the cost of transportation.

On the other hand, and in order to protect Salvadorans with lower incomes who use collective transportation means requiring diesel, this fuel will be subsidized by the government of the Republic, which means city bus fares will be increased from 25 centavos to 30 centavos. In approximately 2 to 3 months we will probably increase this by another 5 centavos. I repeat: Bus fares will only increase from 25 centavos to 30 centavos, that is, only by 5 centavos. When the people elected me, they assigned me the main responsibility of serving the interests of the majorities. Since these majorities might be affected by articles that are part of basic family needs, the government has decided to control the price of basic products.

How will we control them? Through the use of mechanisms ranging from adequate supply, subsidies, and the combatting of speculation to the patriotic cooperation of people, institutions, and organized consumers. With regard to this last group, I am pleased to make public recognition of the country's poultry industry, which has been the first to voluntarily make a commitment to freeze the price of its products for 6 months, absorbing the cost and thus obviously reducing its profit margins. I congratulate you, gentlemen of the Salvadoran poultry industry, and I thank you on behalf of the Salvadoran people.

Rest assured that you will have the government's support in this social task you have taken on. I am equally honored to recognize the ladies at the public markets, who have promised to freeze the price of meat. The state will implement measures allowing them to purchase cattle on the hoof at reasonable prices. Ladies: I was certain I could count on you. Thank you for your effort. You can count on the government because together we will help the people.

The IRA [Supply Regulation Institute] will be reactivated in order to improve its performance with regard to controlling the prices of basic foodstuffs, promoting agricultural production, and protecting consumers, especially those of the lower income sectors. I want to stress that I have spoken with members of all sectors, including farmers, small land tenants, basic grain growers, and cooperative farmers, and told them that they must help me to keep the prices of the current harvest firm, and that they will make more if they refrain from dumping and help me to keep steady prices. All peasants and farmers can count on the government's support. We will meet to outline all the problems the farming sector has. However, right now we need to keep food prices in check to benefit the Salvadoran people. In addition to this, the rental rates of all housing units currently renting for under 750 colones per month has been frozen to benefit the masses. Meanwhile, the rents of those housing units renting for more than 750 colones will be able to increase only 15 percent. The rental rates for office and commercial space will remain ceiling free, except those that house educational institutions. The rents of those will not be allowed to increase.

In summary, the policy with regard to food prices includes seven factors: adequate supply; fair prices that cover costs; reasonable profit margins; price controls; self-regulation; subsidies; and strict application of the law. With regard to the dollar exchange rate, these measures are also part of an overall strategy to fight inflation and protect salary purchasing power. To put it in simpler terms, workers' and peasants' salaries must be protected, and this is the reason for this great effort. I ask the people to support me to keep prices from skyrocketing. These measures are designed to curb inflation, which is a grave problem in El Salvador. However, it is still manageable. We can still perform a miracle. We can still resolve the problem, as long as we undertake this struggle together and immediately. Inflation is particularly catastrophic for the thousands of unemployed. That is why we must reactivate production to generate employment at the same time that we try to control inflation. Our goal is to contain inflation at a rate no higher than 15 percent per year within 3 years. These measures guarantee that those products that are indispensable will not suffer price increases.

In recognition of the sacrifices and efforts made by Salvadoran workers, who have stoically carried part of the weight of the economic crisis for several years, my administration has ordered an across-the-board minimum wage increase for workers in the industrial and agricultural and livestock sector, as well as an increase of government workers' salaries. The presidents of the three branches of government, members of the cabinet, Supreme Court justices, and deputies in the Legislative Assembly will be excluded from this measure. None of us will receive salary increases because all of us will set an example of austerity.

As for the establishment of minimum wages, there will be a substantial increase and we will specifically abide by the constitutional principle of equal pay for equal work by making the salaries of women and men equal in the agricultural field. Until now, the minimum wage for men was higher than the minimum wage paid to women, both in agriculture and in industry. This is unjust, because women and men are all human beings, and therefore we are now correcting an injustice. As of today, the minimum wage for men and women will be the same for the same input, because there will be equal pay for equal work.

There is another serious problem affecting our economy.

That problem is the fiscal deficit resulting from the war, from the subsidy on cotton and sugar due to low international prices, from the subsidies on consumer goods, transportation, and other basic services for the community. How can we solve that deficit? By acquiring more debts or increasing several taxes? Thank God, coffee prices have increased slightly, which somehow improves the critical situation we are enduring, because for over 100 years coffee has been the national product that has provided the entire nation with a living.

As a source of national wealth, coffee does not belong only to the coffee growers, but to all Salvadorans who -- for several generations, in one way or another -- have helped create this wealth. Coffee has helped us in past years to aid cotton and sugar producers, and to protect consumers and those in the lower income bracket. Now, it is a national need and a basic point of justice that part of these unexpected coffee profits should benefit not only the coffee growers, but also all Salvadorans. Therefore, it has been decided to create an additional 15 percent emergency tax for 1 year, provided coffee sells abroad for over $135 a quintal. Bearing in mind estimates that high prices will last 1 or 2 years, it is necessary to take advantage of this situation to promote coffee production.

In view of this, we have used the following parameters: first, the cost per quintal; and second, the international price. During the harvest that is about to end, the cost per quintal fluctuated between 150 and 200 colones. We have used the highest cost, 200 colones, and we are going to pay the coffee grower 400 colones per quintal of premium coffee, when the average selling price is $200 per quintal. In the event that this average is over $200 they will be given a bond that will first serve to pay their debts, and later to cope with the future drop in the price of coffee.

In order to prevent the flow of this money into the market from neutralizing the measures against inflation, and in order to make better use of savings that could be channeled toward productive activities, we are going to increase interest rates. In this manner, the 2 million persons who today have deposited and saved 3 billion colones in the banks will be assured that their money will earn sufficient interest to cover the cost of inflation. That is why we want to assure depositers that we will increase interest rates from 12.5 percent to 15 percent for time deposits, while maintaining 8.5 percent for savings accounts. Of course, checking accounts will continue without earning interest.

A question that immediately arises is: What is going to happen with housing? Once again the government realizes that its duty toward the majority with lower incomes forces it not to increase interest rates on current loans for housing construction costing up to 60,000 colones. Therefore, you, my friend -- as a worker, employee, or middle-class person -- if you have a home worth up to 60,000 colones and have borrowed money, you have nothing to worry about because your interest rates will not increase. Naturally, I am referring to the bank interest rates because the loans of the IVU [Institute of Urban Housing], INPEP [National Institute of Government Employee Pensions], and the Social Fund for Housing, which are state-owned, will continue with their preferential rates.

As for taxes, we are going to be more efficient in collecting them and will increase the number of taxpayers. Those who provide services will be required to pay, at their place of business, a percentage for income taxes just as all salary earners pay in this country. As for the issuance of a corresponding decree, the autonomous institutions, which were previously exempt from all tax payments, will now begin to pay taxes.

The dollars the country may have will be used according to a very strict order of priorities. First, the important things, such as food, medicine, raw materials, petroleum, equipment, machinery, and supplies necessary for agricultural and industrial production.

On the other hand, in order to encourage production and uphold austerity measures concerning imports, as of now it is prohibited to import automobiles and some luxury items produced outside the Central American region for 1 year. Newspapers will publish the list of products that will be banned for this year. I hope this will reduce the import of products, that these measures will be beneficial, and that we will soon be able to eliminate them -- which is what I would like to do. However, for the time being we must adopt the austerity measures and tighten our belts a bit.

Therefore, we will prohibit the import of some products for 1 year. At the same time, we will increase the import duties on those products when the prohibition ends.

We must take energetic measures to control prices and prevent smuggling. In this task we count on the Armed Forces, the security forces, organized sectors of the people such as cooperatives and unions, and associations and patriotic people such as the Poultry Association and the market women. Prices should not go up. We must all work to halt inflation. We must all work so that there will be money for investments, reactivation of the economy, and the creation of jobs. That is why I ask all Salvadorans to help me be watchful so that prices will not go up and so that the cost of living will not increase. Any increase in prices should be reported. Of course, there will be a campaign to tell all Salvadorans how we can help prevent such uncontrolled price increases, increases that could do great harm to the country and create unstoppable inflation.

Therefore, these results depend on the joint effort, shoulder-to-shoulder, of all Salvadorans because if there is speculation, if there is a black market, if there are merchants who are not satisifed with a just profit, and if the workers demand excessive wage increases that are not in accord with the country's economic situation and thus prevent the creation of thousands of jobs for unemployed workers, a race between prices and wages will begin that will prevent us from stopping inflation. That would be sad for all Salvadorans. Workers understand this. They understand what I am asking from them. I am asking them to help me stop inflation, to help me so that industry, commerce, and services will produce jobs; so that those who are now unemployed can earn a living; and so together we can produce more wealth, with all of us thus winning, including those who currently do not earn a cent.

All these measures constitute a step that the Salvadorans must take so we can begin our development plan, which we have named the Road to Peace. I have full confidence in my people. I know that I can count on each and every Salvadoran of goodwill. I know that in all of the decisive moments of our homeland, such as the current times, we have been together. We are going to win the economic battle. United, shoulder-to-shoulder, we will move ahead to begin a rapid process of economic development and social justice. Salvadoran people: This is the end of my official written message. I will now explain in detail the prices that I have been talking about in in general terms. Here behind me you can see the charts I will use to show you the prices and costs that will now be in effect.

Salvadorans: The general objectives of the program are economic stabilization and reactivation. That is why we need to achieve these objectives: increases in production and jobs, achievement of a positive balance of payments and stability of the colon, a drop in inflation, the protection of income, reduction of the fiscal deficit, a balance in the current account, and finally, a national agreement [concertacion nacional].

To achieve these objectives we have established a number of policies that I have already mentioned. Let us look at the income policy. For all Salvadorans the income policy first includes wages. To date, the minimum wage for peasants has been approximately 4.50 colones. Today it is going to be increased to 8 colones.

This is equivalent to a 40-percent wage increase for all peasants. The minimum wage in the cities was set at 13 colones. It is now going to be increased to 15 colones. I must remind you that for the peasants and workers it no longer matters whether they are men or women. Both are going to earn the same. Peasant men and women are going to earn 8 colones. Male and female workers in the cities are going to earn 15 colones. Outside the city of San Salvador they are going to earn 14 colones.

Regarding the government workers, you must remember that in December I said that beginning in January I would increase their wages by 100 colones.

I have done my calculations and I feel that it is fair to change that decision to one that is better for public employees. Beginning in January, instead of receiving a 100-colones raise these employees will receive 50 colones more -- that is, they will receive a 150-colones per month raise beginning in January. All of this will be done for workers earning up to 1,500 colones. This also includes temporary workers. It is a matter of doing justice. Consequently, public employees earning from 1,500 to 3,500 colones will receive a 150-colones per month raise. Only the cabinet members, the presidents of the Republic, the Assembly, and the Supreme Court, the magistrates, and the deputies will not receive raises this year.

The second point concerning salaries is that they will also be increased in the private sector. Effective right now, I ask the employers and workers throughout the country to sit down and discuss adequate solutions. I ask all of them to work for a raise for all employees that will range between 10 and 15 percent. I am certain that employers will respond gladly. I know that they will not need strikes or pressures. The workers know that I am helping the country's workers obtain a raise. Have faith, workers, because this government and the private sector will respond, and there will be a salary increase to help you pull out of the difficult situation you are in. I have faith in God. I have faith in the workers. I have faith in the private sector. I trust that we will pull out of the situation together and that this increase will become a reality.

In addition to increasing salaries, I need to protect the basic market basket. There is a certain quantity of products in the basic market basket and soon I will be discussing this with you product-by-product.

However, the third point, which I have already referred to in my speech, is the interest on housing. The current interest at the banks for up to 40,000 colones is 15 percent. It will remain the same. From 40,000 to 60,000 colones, the interest rate is 17 percent. It will remain the same. However, this is for those who have already bought a house and acquired the obligation. Of course, those who have mortgages with the INPEP, the IVU, and the Social Fund for Housing have special interest rates that range from 4 to 11 percent. These rates will also remain the same to strengthen the workers' cost of living.

Regarding housing, to those workers who live in boarding houses and small rooms, to those of you middle-class people and employees who live in small houses, we tell you that the government wants to freeze rent charges for up to 750 colones so that you won't suffer. Help me. If someone wants to raise these rent charges, let me know. I will fight so that it won't happen.

The next point is public transportation. In this regard, I want to give you this information. I don't know if it is in the other charts. If it isn't, I will give you this information right now. You were told that transportation fares would be 50 and 75 centavos. That was a lie. That was done to create a climate of tension and speculation. You were told so many lies that now that you are seeing the truth of things, you are realizing that this government was working for the people, and you will not be deceived.

Price control and regulation; the IRA [Supply Regulation Institute] and self-regulation; the common effort of producers, the IRA, and the government, and the effort of the consumers, who will not let themselves be deceived, will ensure that prices remain at their normal levels. In addition to all this, subsidies will help too, as they are necessary. Here you have the prices of the basic market basket. Here you have the column of current prices and there is the column for approved prices. Corn, which is now 31.50 per quintal, will still cost 31.50. The price of beans is now 60 centavos at the IRA. There is a scarcity, but we are importing 250,000 quintals of beans in order to give consumers a pound of beans at 60 centavos without increasing the price. I also hope that the peasants and I will be able to sit down to discuss how we are going to plant beans in order for production to surpass 1 million quintals so we will not have this problem next year.

The price of rice will remain at 55 centavos per pound. Processed corn [maizillo] will remain at 24 colones per quintal. IRA milk will be kept at 24 colones per 5-lb can. Vegetable oil was 11.85 per sealed bottle. Now there will be a small increase, it will now cost 12.15. As you can see, the difference is not much because I am trying to protect the basic market basket and workers' salaries. Regarding the price of lard, it will remain at 80 centavos per 215-gram package. The price of margarine will go up a bit, from 3.25 per pound to 3.40. As you can see, this is practically nothing.

Thanks to farmers, the price of eggs will remain at 30 centavos each. Chicken will remain at 2.90. We have helped you. We loaned you 25 million colones so you could buy all the corn you needed to feed your chickens so the price of chicken and eggs does not go up.

Regarding the price of beef, we are counting on the ladies at the market. We talked with them and they said that if we guarantee the price of cattle at the slaughter house of San Salvador at 2.15 colones per pound for cattle on the hoof, they will guarantee that prices will remain the same. Prices then will be eight colones per pound for sirloin, and six colones for round and chuck steaks.

The price of salt will remain at 20 centavos. The price of brown sugar will remain at 50 centavos and white sugar will be sold at 65 centavos. To guarantee the price of bread and pasta we have tried to keep the price of flour the same. The price of soft flour [harina suave] will remain at 47.25 per quintal, and the price of strong flour [harina fuerte] will remain at 48.75 without a change in prices so that the price of bread will not change. If we guarantee the price of eggs, flour, and lard, the price of bread should not go up.

Maintaining the prices of those products that are controlled, such as pasta, milk, baby food, soups, soaps, detergents, shampoos, toothpaste, toilet paper, sanitary napkins, shoes, clothes, etc...[changes thought]. If all these prices that are frozen remain frozen this will guarantee that the salary increase we are making will serve to improve the conditions of the country's workers.

In addition, dear friends, I want to tell you that I have already mentioned the basic services. I have talked about rent charges.

I will repeat what I said about public transportation. The bus fare for San Salvador will be 30 centavos. We will increase that to 35 centavos within approximately 3 months. However, this is with regard to city-to-city fares. The fares for trips between departments will increase 20 percent over the current rates. For example: Suppose a bus ticket from San Salvador to La Libertad currently costs 1 colon. That means that tomorrow it will cost 1 colon plus 20 percent, that is, 20 centavos more, for a total of 1.20 colones. The fares will be published in the newspapers, with the new fares alongside the current ones.

With regard to schools, the fees of all schools, both private and public, are declared frozen. Also, the Education Ministry will publish the list of school supplies students must take to class. No teacher or principal will ask students to bring anything that is not on that list. Before, students had to take 20 notebooks, x number of pencils, a school uniform in this or that color, special shoes, and in the end, poor Mom, or the poor worker, had to spend 300, 400, or even 500 colones on each of his or her children's supplies. Students no longer need to buy uniforms. If parents want to buy uniforms and agree on this, they may, but uniforms will not be compulsory. In addition to that, children will not have to haul a huge bag of books to school, but only those which are strictly necessary and which the ministry will list. This will protect parents from the economic burden they must always face at the beginning of the school year, when they have to spend all that money. We will try to keep those expenses to a minimum.

We will also help freeze doctor and dentist fees. Those that are currently in force will continue in effect until 28 February. New controls and rates for those services are being examined. With regard to utilities, I already said the current ones will stand. No changes will be made in this area.

Now we will address the problem of oil and fuel prices. As an illustration, allow me to indicate that we are currently spending $150 million on oil. This is equal to 750 million colones on crude. This includes a wide range of oil products that the country consumes. Some products, however, are more sensitive to price variations than others. Diesel is one of those.

We must subsidize diesel to keep the price of mass transportation low. Some years ago diesel cost 1.30 colones. Now the price will be 1.70 colones. This means that the government will subsidize diesel for a total of more than 5 colones per gallon, or the difference between 1.70 and 6.95. A total of 568,000 42-gallon barrels of diesel are being consumed per year. This implies a large government subsidy for diesel for mass transportation. The expense is worthwhile because it is spent to serve the poor and humble people who ride buses. That is why we are making this effort.

We are also subsidizing liquid gas and kerosene because these are the products homemakers use for cooking. Liquid gas is currently at 3.33 colones per gallon. It will be increased to 3.50. Homemakers must be aware that this small increase will not hurt their budgets. Kerosene will increase from 3.94 to 5.70. This is a relatively small increase. Let us look at fuel prices. Excluding subsidies, the price of fuel is as follows: The current price for high octane gasoline is 6.41 colones. As of tomorrow it will cost 9.70 colones. Regular gasoline, which is currently at 6.23, will increase to 8.90. I urge you to use regular instead of high-octane gas. Too much high-octane gas is being used: 855,000 barrels per year. Meanwhile, only 285,000 gallons of regular gas are being consumed. We are squandering money on gasoline.

Regarding jet fuel, in El Salvador jet fuel was being sold cheaper than in any other place in Central America, cheaper even than in Miami. We have brought the price nearly to a par with its rate in other places. Therefore, we will no longer subsidize LACSA [Costa Rican Airlines, Inc.], TACA [Central American Air Transportation], AERONICA [Nicaraguan Airlines] or any other airline company that bought its jet fuel at 3.94. Now it will cost 7.55.

Let's look at the price of diesel fuel. It will increase from 4.25 to 6.95. We are subsidizing this product to cushion the impact of fuel costs on all of the country's transportation. As you can see, we not only subsidize diesel fuel for mass transportation, but also the diesel fuel used by all vehicles and factories.

Fuel oil will go from 1.95 to 3.65 and asphalt, which is a product used only by the government, will go from 2.22 to 5.85. These are the fuel prices effective tomorrow. I will repeat them: super gasoline, 9.70; regular gasoline, 8.90; kerosene for household use, 5.70; airplane fuel, 7.55; diesel for general use, 6.95; fuel oil, 3.65: asphalt, 5.85; propane gas, 3.50; diesel for public transportation, 1.70.

I think this analysis will show you how you were being deceived when you were told that the price of gasoline was going to be 14.65. They were lying. They were deceiving you. They wanted to destabilize the country. You are seeing that in this economic program I am presenting I have tried to protect all Salvadorans so that the prices will not have an impact.

I will repeat that the price for coffee growers will be 400 colones in cash per 500 pounds of standard coffee grain on the basis of a sale price of $200 f.o.b. If the sale price is over $200, for example, and it increases to $250, then the difference will be paid to the coffee growers in bonds of the Salvadoran Central Reserve Bank. These are 2-year bank bonds with a 5.5 percent annual interest rate. They will be for the amount equivalent to the difference between the 400 colones and the higher sale price. Obviously, if the sale price is less than $200, then they will be paid less. The bonds of the Central Reserve Bank can be used to pay debts in the financial system. In other words, they can pay their debts with them and become solvent.

Dear friends, permit me to broach other subjects -- for example, monetary policy, credit policy, foreign exchange policy, fiscal policy, and production policy. For this reason I will go into other details.

Salvadoran people, I have spoken to you for more than 1 hour and I still need to talk about credit policy, fiscal policy, and production policy. I think you must understand that I cannot discuss all the problems at the same time. That is why I will give you a brief summary of these three policies and later on I will discuss them in detail. I will continue to make public appearances to explain each of the measures. The ministers and technicians of the economic team will also be appearing on television and radio stations and will be participating in meetings of sectors and groups of the country so they can explain each of these measures, because we can give much information about them.

Regarding monetary policy, we have decided upon the following: Effective right now, we have unified the exchange rate, setting it at $1 per 5 colones. Second, we are going to attract foreign currency. Third, we will sponsor and propose a law that will guarantee control over the black market, which we have described as a foreign currency crime. This is important in order to guarantee that all the dollars in the country go to the banking system. We will improve the preferential interest rates with a 2.5 percent increase for all savings. This will obviously mean new interest rate tables for borrowers.

We are going to implement a policy of [word indistinct] and deductions, in order to control the currency. We are going to reduce government credits through the Central Reserve Bank in order to streamline fiscal policy. We are going to implement a renegotiation policy. This is important for all those debtors who are insolvent, so they can strengthen their financial situation and so they can have an opportunity to improve their condition. Last -- and this is very important for me because you may recall that one of the points in the political platform I presented during my campaign was that there are two economies, the formal and the informal economy -- we are going to strengthen the entire banking system, the entire credit system, in order to help the informal sector of our economy.

In order to give you an idea of how we have fared this year, I will give you the amounts we have given in credits through the banking system in the agriculture and livestock sector during the period 1984-85, and our estimated expenses for 1986. In general terms, in 1984 the total credits granted was 3.918 billion colones. The total in 1985 was 4.836 billion. And now look at what we are going to do. We are going to invest 5.8 billion colones. In other words, this is a huge increase in our efforts in each sector to strengthen the economy.

We are opening credit lines in order for our country to produce and export goods. Thus, you will see an increase of 30 percent in the agricultural-livestock sector, 25 percent in the industrial-manufacturing sector, 10.5 percent in the construction sector, 25 percent in the trade sector, 3.8 percent in services, and 6.7 percent in other sectors. This is the monetary and credit policy we will pursue to strengthen production in our country.

Regarding fiscal policy, I want to tell you that once we have established the price of coffee, this money will help implement all of the policies we have outlined today. And (?then) we will adopt the following measures: First, nonessential products not included in the Central American tariff sustem will have a selective consumption tax. Second, there will be an additional 15 percent surcharge on coffee, which is going to solve the country's fiscal deficit resulting from all the factors we have talked about, including the war that is costing us so much money.

We are going to issue a new law, a new policy whereby all services, particularly professional services in the country, will pay the corresponding income tax. That means that when a professional renders his services to an enterprise, the enterprise will have to discount the income tax. This will serve to classify new persons or new institutions or enterprises that up to now were not classified. We are also going to have a new policy on the revenue stamp. Here, we are not increasing the tax. What we are doing here, in the first place, is to remove the revenue stamp from food and medicine in order to help the Salvadoran people. In addition, we are reorganizing the entire system to make it easier, more feasible. Thus, we are not adding the revenue stamp.

We are controlling the regulations on exemptions in the executive, legislative, and judiciary branches. We are preparing laws against contraband for the approval of the National Legislative Assembly, which is the protector of the people. These laws also protect against violations of the monetary exchange regulations, and all those things that go against the Salvadoran people. We are going to take actions against contraband. We are going to reward persons reporting smuggled imports with 50 percent of the merchandise value, once it is proven that the merchandise was smuggled, we have seized the merchandise, and have arrested the smuggler. Salvadoran people: This is important. You can all help us control smuggling so there will not be corruption, so there will not be unscrupulous people deceiving the people.

Another law we are proposing is that all autonomous institutions will have to contribute to the treasury. Naturally all of this entails a heavy workload of controls and reductions, and of austerity within the government. You know me, you know I am making a tremendous effort in the government austerity program. That is why I am insisting that in all sectors, in all autonomous entities, in the government offices, in the ministries, there be austerity.

Lastly, we are preparing to modernize the entire tax system. This means we are going to present a law that will change the tax system of the country so we can correct the fiscal problems of our country.

As for the production policy, we must cope with the food problem. We must be self-sufficient in basic grains.

We must produce what we eat, including vegetables, beef, and so forth. We must follow an aggressive policy in the production of medicine. So far, Central America produces 60 percent of the medicine we use, and we must increase that to 80 percent. Otherwise, we are spending to much on medicines.

As for housing, we have an optimistic goal. We want to build 45,000 homes in 3 years. We have available 517 million colones to be used in these 3 years to build 45,000 homes. This means there will be work, work for bricklayers, for carpenters, for laborers, for builders, for industrial workers, for businessmen, for hardware workers, work for everyone. That is why this government's policy is important. That is why it is important to maintain the government's policy. That is why it is important to maintain the policy of traditional products.

That is why we must strengthen our coffee production, and that is why we are paying 400 colones per quintal in this harvest, if we maintain the price of $200.

We must jointly revise the cotton policy. We have been constantly meeting with the cotton growers, trying to solve this problem. We already have an aggressive sugar policy to compensate for the deficit we have from producing gas oil. We already have one plant in operation, and we are going to set up two more government plants and obtain loans for two more private enterprise plants that could join this program.

The program of the sea, for example, must be very aggressive so we can fish for shrimp. We are working on a project for producing shrimp larvae in laboratories so we will be able to produce a larger amount of shrimp, both for fishing and for cultivation.

All these things are the traditional things. However, the most important part of this is the efforts on the nontraditional products. We must take advantage of the Central American Common Market and the internal market. We must adopt several foreign trade policies. I requested of private enterprise, the interested sectors, that we all sit down to plan together this policy of the National Exporters Commission so there will be information, export insurance, lines of credit, and investment insurance. We are also going to revise the foreign banks and foreign investments laws. All of this is for the purpose of strengthening the export process of nontraditional products.

In addition, we must substitute the imported goods [sentence as heard]. We must obtain additional lines of credit, technical assistance, and international support.

Thus, we must prepare a monetary program. We must reach the following goals: increase production and employment, and achieve equilibrium in the balance of payments and the stability of the colon. We must also reduce inflation, protect our revenue, reduce the fiscal deficit, reach a balance in (?all regular accounts), and achieve a national reconciliation.

Salvadorans, national reconciliation means that everything I have said today is a project that does not belong to Napoleon Duarte, the government, or the Christian Democratic Party. This is a national project that together we can carry out. Together, we can reach the goals. Together, we will ensure that the wages of workers, of the humble ones become larger. Together, we can work so that the cost of living will not increase. Together, we can maintain the prices of corn and produce more. Together, we can reduce the costs of petroleum. Together, we can struggle so that our currency will not come crumbling down by the black market. Together, we must struggle so that our fatherland will win the economic battle.

By winning the economic battle, by winning the military battle, by winning the international battle, by winning the social battle, and by winning the political and ideological battle this country will have waged the democratic revolution that I invite all Salvadorans to join. I invite all Salvadorans to fight together, shoulder-to-shoulder, for the progress we all want, the peace we all cherish.

Salvadorans, good night.

HONDURAS

GENERAL LOPEZ DISCUSSES CONTRAS, REFUGEES

PA220436 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 21 Jan 86

[All questioners in recorded portion unidentified]

[Text] An important meeting will be held on Thursday in Tegucigalpa between the top echelons of our Army and Public Security Forces [FUSEP]. They will analyze the current chaotic situation provoked by the increased wave of crime and the possibilities of creating a joint Armed Forces-FUSEP action to protect the most important cities and control local and foreign criminals who keep our society under constant fear. The meeting was announced by General Walter Lopez Reyes, commander of the Armed Forces, who went to San Pedro Sula during the weekend to attend the inauguration of the first housing project for journalists in that industrial city. The Armed Forces commander answered, with his usual courtesy, the questions asked by various journalists concerning the alleged presence of contras in Honduran territory, the national political situation, and the wave of crime that has arisen in the country and provokes the people's concern.

Following is a report on the questions and answers, sent by Televeision Channel 7 from San Pedro Sula:

[Begin recording, in progress] [Lopez] ...therefore, this will always represent a problem until the internal situation is stabilized.

[Question] General, it is said that the existence of contra camps has prompted the Sandinists' presence in our territory. What can you say about this?

[Lopez] Please repeat the question, I did not hear you.

[Question] It is said that the Sandinists are in our territory because they are looking for the contra camps here.

[Lopez] We can never accept this situation, and we think that this is an unacceptable excuse because it refers to Nicaragua's internal problems. There is also another problem, on the Salvadoran border. The conflict prevailing in El Salvador creates problems for us in the border zone. We have said many times that we do not have enough men to detect every movement. We have a rather small Army, and even though we are currently carrying out more patrols, it is difficult for us to ascertain if they are counterrevolutionary groups or guerrilla forces from El Salvador. Likewise, we are facing a series of negative situations, such as the viewpoints of organizations that exert their influence on either side in one way or another.

[Question] General, refereing to the situation in Olancho, the people say they want nothing to do with the FUSEP after the death of five people there.

What measures will you adopt?

[Lopez] We have discussed the topic, and yesterday afternoon we issued orders to carry out an investigation. However, the commission was not only comprised on FUSEP members...[changes thought] I think that the national news media was also invited to participate so that the people may know what really happened. Once the investigation has concluded and I have received the official report, we will take the necessary measures. We believe that if the FUSEP members are guilty in this specific case, we will do what we have publicly stated: We will strictly enforce the law.

[Question] Are the refugees a threat for our national security, General?

[Lopez] This is definitely a destabilizing factor in our country, because it has been ascertained that many members of the Salvadoran guerrilla groups frequently seek shelter in the refugee camps. We still cannot enforce a complete control of those refugees so this will always represent a problem for the Honduran Government, Armed Forces, and the people themselves. It is difficult to eradicate the problem because the refugees do not come from only one country. We have refugees from three different countries, and they have been distributed to various zones, where they create problems and carry out many actions. Sometimes they even represent a serious threat to our national security.

[Question] Do you think it is advisable to evict them from our country?

[Question] [Another question is asked before Lopez responds] General Walter Lopez, what are you going to do about the contras since the United States has decided to give [as heard] them an additional $50 million to strengthen them and thus exert more pressure on Nicaragua?

[Lopez] You have rightfully said that the United States...[changes thought] Honduras is not giving a cent or lending its territory.

I think you have heard what the constitutional president of the Republic, and even the president-elect, who is currently visiting Washington, have said about this. We want to handle the problem in an overall way and any rebel group in our country... [changes thought] We have to adopt the necessary measures. This is definitely a critical political situation, and we will discuss it in depth -- once the president-elect is officially sworn in -- at the National Security Council; he has already stated this. However, I want to state that the topic has been discussed many times, and you must be clearly aware that we will never lend our territory so that those groups may use it.

[Question] Will you expel them if they are found?

[Lopez] As a matter of fact, this is one of our duties. We must protect our borders, but, we repeat, the problem comes from an internal situation in those countries. It is taken for granted that if the United States says it will send some aid, this aid will be sent to the groups that are within Nicaragua.

[Question] General, referring to the crime wave, you said in other interviews that the corresponding measures would be taken. However, we see that time goes by and the crimes increasing in our country.

[Lopez] Yes. This is a current problem, and we must try to establish the difference between one problem and another. I do not know why we sometimes try to avoid the fact that there is subversion in our country. However, it is still an unarmed subversion.

The tactics and strategies are prepared in advance; consequently, they are availing themselves of the opportunities offered by our democracy. The minute we have a social or political problem, they will come out of hiding and act. Now then, referring to common crimes, we sometimes see that the FUSEP cannot capture all the criminals. However, they are doing everything they can. As a matter of fact, we will have a meeting between the Armed Forces and the FUSEP general staff next Thursday so that we may join efforts and eradicate this social problem.

I still have another important thing to mention: I avail myself of the occasion to urge the Honduran society to avoid the mistake of simply criticizing the FUSEP and Armed Forces, accusing them of being ineffective. We must join efforts to achieve our goals. Likewise, we must enforce the law. We must clearly identify the common crimes so that the proper measures may be enforced; thus, criminals will not be easily released or else they will repeat their crime a few weeks later.

There is another problem, and you will soon see the case brought up at the Supreme Court of Justice, regarding the Costa Ricans. Do not think that what we found in their car was going to be used to celebrate the journalists' day. [laughter] Those were weapons they are passing over to the Salvadoran guerrilla groups. So, you see, we come across pathetic cases like this one. If they are released simply because a country or an organization requests their extradition we would be making a grave mistake. This is where the guerrillas groups, the guerrilla members, the subversives, or the terrorists avail themselves of our democracy and weak laws.[end recording]

PARTIES AGREE ON 'NATIONAL UNITY GOVERNMENT'

PA221616 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 21 Jan 86

[Excerpts] Around midnight last night a very cordial meeting ended between the deputies who belong to the movement of Jose Azcona del Hoyo and those of the People's Liberal Alliance, ALIPO. A meeting that apparently had many unexpected results. This radio station obtained the most important details of this meeting through the man who apparently will soon become president of the National Congress, Carlos Orbin Montoya, one of the most controversial political leaders of the country right now.

Let's hear the most important details of what happened:

[Begin recording] [Orbin Montoya] The Azconists have concluded a meeting during which we made important decisions.

[Unidentified reporter] What decisions?

[Orbin Montoya] The options were to either reach a partriotic agreement with the National Party to form a national unity alliance or to form a weak alliance within the Liberal Party, with the Suazo Cordovist sector. This would be a weak alliance because it would total only 67 duputies, who would not compose a majority, and, besides, no one can guarantee how those deputies could respond.

Since the idea is not to have a one-party minded government but an integrated national unity government, we decided to support the conditions negotiated for the patriotic agreement, which gives the Liberal Party a majority in the legislative branch and gives to the National Party a majority in the judicial branch. Permanent party commissions will present the lists with the names of candidates to their respective officials.

Later there will be a basic agreement that has to do with a new modality in Congress. It will be implemented through permanent commissions. There will also be reforms to electoral laws to implement the agreements reached with the Air Force in May for democratizing the parties. We also discussed giving Azcona freedom to choose his cabinet. The parties will present to the president-elect lists with the names of well-qualified people, and the president will decide on appointing them to his administration team -- in the cabinet, in diplomatic posts, or in autonomous institutions. A more important factor was the decision of the two groups to establish a policy that will bring hope to the Honduran people in favor of safeguarding peace, of maintaining a dialogue with all sectors, and of having an effective and participative democracy.

[Reporter] What is the composition of the Congress [permanent commission], which you will head as president, as we understand it?

[Orbin Montoya] It will be composed of five members of the Azconist Liberal Movement. It is headed by Carlos Orbin Montoya, president; Orlando Gomez Cisneros, first vice president; Jorge Roberto Maradena, third vice president; Oscar Melara Murillo, first secretary; and Armando Rosales Peralta, as first assistant secretary.

It will also be composed of members of the National Party, which will have to appoint two vice presidents -- the second and the fourth vice presidents -- plus one secretary and one assistant secretary.

[Reporter] Is it certain that you will be president of Congress?

[Orbin Montoya] Well, considering the majority we have secured -- 63 National Party and 46 Liberal Party deputies -- we have more than enough votes, but this is not what is really important.

[Reporter] The important thing is you have become deputy?

[Orbin Montoya] No. The important fact here is that a patriotic national agreement was reached.

[Reporter] [Question indistinct]

[Orbin Montoya] There is a new model in Honduras. Negotiations have begun. The agreement is irreversible. This has been a great agreement that I believe will be applauded by Honduras.

[Reporter] Are you ready to negotiate with the Callejists [followers of Rafael Leonardo Callejas, leader of the National Party]?

[Orbin Montoya] The agreement has been negotiated already. The agreement has been approved.

NICARAGUA

ORTEGA VIEWS CARABALLEDA DOCUMENT, SCORES U.S.

PA210443 Managua Radio Sandino in Spanish 1200 GMT 20 Jan 86

[Text] Contadora has spoken clearly to the United States in Caraballeda. The United States must end its meddlesome Central America policy.

Over the weekend, Daniel Ortega Saavedra, president of the Republic and commander of the revolution, made an appeal to the Reagan administration to begin talks with the Sandinist government, from which a peace agreement may emerge. Ortega made the statement at Ciudad Dario on the occasion of the 70th year of the death of Nicaraguan poet Ruben Dario a few minutes after inaugurating the national [word indistinct] marathon.

Ortega recalled that during the recent inauguration of Vinicio Cerezo as Guatemalan president the Central American foreign ministers expressed support for the Contadora document to achieve peace in Central America. The Sandinist leader referred to the document issued by Contadora in Caraballeda, Venezuela, on 12 January, in which the Mexican, Panamanian, Colombian, and Venezuelan Governments urged the United States to [illegible] talks with Nicaragua.

Now listen to the statements made to "Extra" by President Ortega:

[Begin recording] [Ortega; in progress] ...[words indistinct] but here a call is being made directly to the United States to end its terrorist policy against Nicaragua. The United States is being clearly told to stop supporting the mercenary forces [words indistinct]. This is what (they are proposing).

This is a document of intention that proposes such actions as an end to the support of the mercenary forces. Therefore, it proposes an end to the aggression against Nicaragua, the withdrawal of foreign military forces from the region, and an end to the foreign military maneuvers -- that is, talks with Nicaragua...[leaves thought incomplete]

In other words, a very solid and firm Latin American position is being presented. It goes directly to the heart of the problem, namely, the policy of the United States, which is hellbent on attacking Nicaragua and therefore refuses to engage in talks with Nicaragua to find a solution to the problem.

[Unidentified reporter] Has Contadora been reborn through this document?

[Ortega] I do not think Contadora has been dead at any time, because Contadora is needed and will have to exist so long as there are conflicts in Central America.

[Reporter] Why has the document been sent to Cuba in addition to the United States?

[Ortega] Cuba is part of Latin America, and we are acknowledging the fact that Cuba is part of Latin America. This is a reality the United States has tried to ignore.

[Reporter] What does Latin America expect to happen after sending this document to the United States and Cuba?

[Ortega] Well, the most important think in this case is the practical lesson the United States has (?received). This is what is most important. Because so long as the United States does not (?assume) a practical (?attitude); so long as the United States does not make up its mind to hold talks with Nicaragua and to end the aggression, it will be impossible to reach any peace agreement. It will not be possible to make progress toward a peace agreement.

[Reporter] Thank you. [end recording]

BORGE DISCUSSES ATLANTIC COAST POLICIES

PA211442 Managua EL NUEVO DIARIO in Spanish 15 Jan 86 p 2

[Excerpts] Tomas Borge, the sole survivor of the original FSLN founders and member of the FSLN National Directorate, admits with an unusual and frank self-criticism the errors made by the Nicaraguan Government regarding the racial minorities that live on the Atlantic coast. Borge defines the new policy in a dialogue with Marta Harnecker, a well-known reporter on the Marxist doctrine.

Question: One of the greatest self-criticisms that the FSLN has made is related to the Atlantic coast problem. How did this zone become a fertile land for the counterrevolution?

Answer: Experience shows that when a revolutionary movement does not fully assume its people's legitimate demands, it loses ground to the enemy's work. However, I do not think the people's demands are fertile ground for the counterrevolution. The enemy usually presents demands which do not stand up and are sometimes quite showy. The enemy mentions Indians' rights without making a specific commitment. Autonomy is not and cannot be part of its mental schemes. The Atlantic coast represents a particular phenomenon based on a heretofore unknown socio-historical matrix.

The colonial and neocolonial exploitation model on the Atlantic coast included activities in the mining, fisheries, and forestry sectors; a large part of the rubber used during World War II came from the Nicaraguan Atlantic coast. This plundering of the economy changed the ecology and production sectors, the ethnic groups' reproduction, and provoked a selective proletarianization depending on the world market's growth or recession. New human groups -- Creoles or blacks, garifunas or those of the Caribbean -- were brought in as a permanent work force.

An economy with an enclave-like characteristic facilitated the looting of this coast's natural resources and the isolation of the region. The latter was always dominated by foreign powers, with weak representation by the national government. The communities felt a deep mistrust for the central government, which was a historical accomplice in the coastal situation. In sum, the revolution came across a problem that had not been found in any other phase: the ethnic problem.

We initially thought that we could solve it with strategic, costly investments that barely went beyond the intentions and technicolor dreams that predicted results in the medium and long-term. We also exerted great efforts to solve urgent social problems. Without really understanding the deep ethnic problems, we trusted the case to the Miskitos, the Misurasata [Miskito, Sumu, Rama Unity], which was heavily infiltrated by the U.S. Embassy. The organization manipulated the Miskitos' demands and worsened the inter-ethnic conflicts and the confrontation with their religion.

The groups which the revolution sent to the Atlantic coast knew nothing about the specific local and regional situation, and mechanically applied the procedures used on the Pacific coast. The revolution awakened hopes on the Atlantic coast and thus, for the first time, it looked toward Nicaragua.

We promised them a paradise on earth but we had no possibility of fulfilling our promises. To this we must add the bureaucracy and inexperience of a revolution that was in its early stages. The Atlantic coast problems required experienced persons with a great sensibility. It was necessary, above all, to analyze in depth the characteristics of each ethnic group, its relationships, family ties, and customs. It was necessary to properly evaluate the things that do not coincide with our viewpoints and thus appreciate their value.

Question: What is the autonomy that you propose for the Atlantic Coast?

Answer: Since we are revolutionaries and we want the Nicaraguan people's welfare, we analyzed the situation and became aware that we had not handled their demands correctly. This new knowledge led to the autonomy project. It represents an unprecedented revolutionary solution to the three problems which characterize the situation: their hope for peace, their return to the communities, and their autonomy.

When I speak of autonomy I do not only refer to respect for their customs, religion, language, and right to exploit the forests and waters. I also refer to the election of local administrative authorities and a regional assembly; in other words, an advanced autonomy -- the only autonomy that will really allow the ethnic groups to exist in America. All of the ethnic groups will have the same rights, regardless of the size of their population. We will not divide the coast based on the difference between the blacks' Palo de Mayo dance and the Miskitos' banana song. Everything in the region will be included in a single, homogeneous project taking into consideration the characteristics of each sector.

Question: Has this new policy changed these people's attitude toward the revolution?

Answer: I cannot tell you that this has been fully achieved, but there have been some positive changes in the population's viewpoints. They still mistrust the FSLN but believe in the autonomy because they can ascertain it, they have witnessed it, and it is a process that has actually been launched. Their peace, their return, and their autonomy have become a rallying cry for the peoples on the Atlantic coast. We have talked with the groups up in arms through the Interior Ministry and the Sandinist People's Army. I, myself, have talked with them. Recent actions by a Miskito group that opposes peace have been rejected by the communities. The creation of a new Nicaraguan multi-ethnic, multilingual, and multicultural nation will be achieved in due time because the bases have been firmly established by the FSLN, which advocated the Indian people's just demand and was able to understand that the Atlantic Coast's autonomy is necessary for Nicaragua's unity.

Our experience must be studied by the revolutionary movements in Latin America. There are countries with important ethnic minorities that have specific demands, and these must be solved by the revolution. U.S. imperialism is working intensively among these people. Persons linked with the CIA are trying to create -- using religious, cultural, or humanitarian aid fronts -- a strategic reserve to counter the revolutionary movements at a given moment.

BORGE CONCLUDES EL DIA INTERVIEW ON M-19, CHURCH

PA171425 Mexico City EL DIA in Spanish 8 Jan 86 p 14

[Part two of report on interview with Nicaraguan Interior Minister Commander Tomas Borge by newsman Gregorio Selser in Managua]

[Excerpts] [Borge] The note (of the Colombian Foreign Ministry) said that I attended a mass in El Hormiguero neighborhood in which a member of M-19 [19 April Movement] talked and that the M-19 flag was displayed at the church. One must bear in mind that M-19 does not have a representative in Nicaragua and, so far, I have the suspicion that this might have been a provocation. At any rate, I was completely unaware that the individual was going to speak, and of course I had no idea that the flag was going to be there. It is true that the flag was there, but not because any government official had ordered this.

I was attending the mass because it was to commemorate the first anniversary of the death of a very dear friend of mine, of a brother; a death which was very sorrowful for me, the death of Enrique Schmidt. He worked with me at the Interior Ministry, chief of the Managua Police, and later became the leader of the Interior Ministry troops. At the time of his death he was in charge of TELCOR [Nicaraguan Telecommunications and Postal Services]. He had temporarily been appointed chief of the "Pablo Ubeda" troops to help in the organization. Schmidt was very good at organizing things. Schmidt's relatives requested the mass be held at that church, and it was Schmidt's family that invited me to the mass. Thus, I had nothing to do with the statements made by the individual who claimed he was from M-19, and which make me very suspicious now, or with the flag being there...Naturally, since this coincided, more or less, with the date of the tragedy at the Justice Palace...

[Selser] Well, then, I will insist on the religious topic, starting from the issue of Radio Catolica and of the harm one sector of the church hierarchy claims it has caused them on what they call "the deterioration of church-state" relations in Nicaragua. What would be the possibilities of a resolution of such problems?

[Borge] It is true that there is a deterioration, but it is not our fault: it is the responsibility of the sometimes violent attitudes against the revolution and one sector of the church identifying itself with its enemies. There are bishops and prelates that challenge the laws, speak against the laws, particularly against the Patriotic Military Service. Not so long ago, they had planned to hold a demonstration at Las Brisas or Lindavista neighborhoods, in which they were going to burn an effigy dressed in olive green, as a symbol of their opposition to military service. Such challenges always go against the legal norms and are an attitude of open hatred that is voiced from the pulpits against the revolution and its leaders.

We have no objections to living in harmony with the church, and we will gladly welcome any sign we received to that effect, even from those who at one time voiced their very serious disagreements with us, which is the case with Bishop Vega, of the 5th region, who has lately shown evidence of his political realism. We do not have any reason for developing a controversy with the church. We are not opposed to the religious practices or the beliefs of the Nicaraguans, or their festivities. Quite the contrary, we sincerely encourage this in good faith. I do not think they can have any complaints to that effect, unless they act in a dishonest manner.

The problem is different. There is a sector of the church that wants us to do what they want, but not concerning religious matters, which is something we could understand. Rather, their demands are concerning government issues, and that is something else, because we have a state, we have a government that has its own structure and its own outlook of what has to be done, and here we must honor what Jesus Christ said: "Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's." Is it Manichaeanism to say "here is God and here is the state?" I do not think so. The rules of coexistence mean mutual support in many areas, circulating in both directions.

For example, we have been developing a penitentiary policy, a not so common experience; that is, the jails are now more humane and open, without bars or armed jail guards. The revolution would have appreciated so much if the church would have helped us in this mission to change these men! I myself took the initiative of giving each prisoner a Bible; it was not the church, it was not Obando who purchased them and distributed them. True, he might say, once again, that I did this "for political tactics." Why did I give each prisoner a Bible?

Because, regardless of each one's beliefs, I think the Bible can help them, from the ethical-moral point of view, to improve themselves, and to improve society, in order to make their misfortune seem lighter. The arrogant Obando should use this type of "tactic" more often and for moral and religious purposes. He does not do this. The cardinal engages in politics....

Furthermore, he lost a tremendous historical opportunity to wage the revolution together with us in Nicaragua. We once had the opportunity to carry out a joint project. If we have said that Christianity has always existed here, is this not a commitment that we are making? Why did they not take advantage of that opportunity? Why did they not join us to commit us even more if they thought this was necessary, when it was so easy to involve us in a historical commitment? Instead of that, when the pope came to Managua, instead of contributing so that the religious sentiments of the Nicaraguan people increased, he behaved in an arrogant manner and hardly in a charitable manner. With this, he contributed to religious skepticism. Many youths and adults felt disappointed with the attitude of the pope, who, perhaps without wanting to do so, took sides with his actions in the struggle of class with a sector of social class or traditional force in the country, and he contributed to highlighting this and making this even more clear. His arrogance is similar to the arrogance of Cardinal Obando, but not all bishops are the same as he or are so much involved in political activities.

U.S.-HONDURAN MANEUVERS INCREASING U.S. PRESENCE

PA201925 Managua BARRICADA in Spanish 17 Jan 86 p 7

[By Gabriela Selser]

[Excerpts] On 5 December in Washington, Pentagon spokesmen announced the decision of the United States to cooperate with Honduras in a civilian construction project. This project consists of building a 22 km road in Yoro Department in north central Honduras. However, the announcement revealed the beginning of the 17th U.S. troop maneuvers in that country since 1981.

The "General Terencio Sierra-86" (named after a former Honduran president) military maneuvers to be held in Honduras were established in a pact sealed only 9 days later, on 14 December, between Miguel Lardizabal, Honduras secretary of communications, public works, and transportation, and Colonel Ronny H. Martinez, director of operations and training of the Joint General Staff of the Armed Forces. Secretary Lardizabal's mere presence there conveyed the impression that it was a civilian project allegedly intended to improve the highway system in that mountainous area while at the same time supporting the movement of Honduran troops in the area.

Yoro, a Strategic Region

With the "Cabanas-85" military maneuvers, the United States took the first steps toward the main objective of the current "Terencio Sierra" maneuvers: the beginning of the topographic work, disguised under the name "civil engineering works," to join San Lorenzo and Jocon. These two towns join Cortes, La Ceiba, and Puerto Castilla, three ports that receive huge shipments from the United States. Yoro valley, approximately 200 km from the Nicaraguan border, is the main hydroelectric power source for Honduras because of the Aguan River. It is also a zone well known for its important agricultural wealth.

However, this was not the only reason for the region to be used as the main site for the maneuvers.

The CIA reported that Honduran guerrillas "introduced from Nicaragua" had established their camps in this area. During the "Cabanas-85" maneuvers, the U.S.-Honduran troops unleashed ferocious persecution against the peasants to force them from their land. The troops used the excuse of alleged "counterinsurgency operations" in that area. It was in this same area that Eduardo Mendez Suazo, a Honduran Catholic priest, and many residents of the area were arrested and tortured on 4 January.

Garrote and Caress

The repression unleashed even by Cobra Battalion troops brought about serious charges at the international level. This reaction forced Washington to implement a civic action plan for the rural residents. U.S. doctors, permanently stationed at the U.S. Southern Command in Panama, were immediately sent to Yoro Department. They attempted to erase the memory of the massacre with used clothes, basic medicine, and Yankee canned goods. The road built over the blood of the Yoro peasants, from Jocon to San Lorenzo, will now be extended during the "Terencio Sierra" maneuvers toward the towns of Puente Grande and Puente Chica, 22 km toward the southwest. The objective? To have a road that will facilitate the mobilization of troops that land in Puerto Castilla or La Ceiba into the interior of the country, toward Tegucigalpa. Military reports that made their way to the press in the United States indicate that these new exercises will include various phases and that they are scheduled to end in May.

A "Big Bear" for the Marines

Each phase of the maneuvers that officially began on 1 January will last approximately 20 days. At least 900 U.S. troops will be rotated during the 12 phases of the maneuvers, while the members of the Army Corps of Engineers will participate in them on a permanent basis. Other troops will also participate, but the Honduran Army has eluded questions as to their involvement in the drills.

The first phase of the "General Terencio Sierra-86" maneuvers, the same report indicates, includes plans to build a military base in the Yoro mountains. This will be used as a camp to house the "combat engineers," (U.S. Marines) and store all the machinery and heavy construction equipment used in the exercises. The name of this camp is "Big Bear." [preceding words in English with vernacular following within parentheses] It will be directly controlled by the "Bravo" task force under the command of the Yankee military officer William Commee. The base will include part of the 15 manzanas included in the center of the war games operations area.

The subsequent phases include the continuation of the construction of the 22 km of road to Jocon, Puente Grande, and Puente Chica. This road will allow the rapid deployment of U.S. troops in Honduras as it will in fact serve as a "military emergency route " that will be a link in the event of an interventionist landing. It will allow the training of Honduran troops and the acclimatization -- as in previous maneuvers -- of the U.S. troops in the area, both geographically and socially. The United States will in addition be able to demonstrate various techniques for military combat engineering, implement their plans for logistical supplies, and even test the installation of a communications system that will guarantee the effectiveness of rapid actions in the area.

When the "Cabanas-85" maneuvers began, both U.S. and Honduran officials made special efforts to stress that they were only a civilian project to build roads in the area. However, in their final phase the exercises included landings by airborne troops and paratrooper drills, as well as shooting drills by the Honduran Air Force.

How can the possibility that the "General Terencio Sierra" maneuvers will end in the same way be ruled out? Why not think that most of the military cargo unloaded on Honduran piers will be directly turned over to the mercenary forces directed by the CIA in that country?

Military Escalation Increases

If the previous maneuvers established a training center for Honduran battalions and created the 15th Infantry Battalion that was later stationed in Puerto Castilla, could one not think that this military center will be improved now to serve as a mountain military training center where a new Honduran infantry brigade will be stationed. If this is the case, this new military base will help the Yankee Army mobilize in the area. At present the nearest military unit is located in La Ceiba, more than 80 km from there.

In previous maneuvers the Yankee troops have trained for rapid deployment in "enemy territory." Does that mean that now the United States is planning to move from words to action as it did several weeks ago when the U.S. frigate U.S.S. C-3 Sheifield [as published] entered into combat in El Salvador to support government troops against a guerrilla contingent?

The increase in the U.S. military presence in Honduras becomes conspicuously evident with the current exercises. This escalation will take an even greater leap when the U.S. "Kindle Liberty" maneuvers begin in the Panamanian province of Colon on 20 January. These will include the participation during 1 month of more than 1,500 U.S. troops, who will undertake rapid deployment operations to stage a military intervention in Central America.

WHEELOCK ON ECONOMIC LOSSES FROM CONTRA ATTACKS

PA210124 Managua Radio Sandino in Spanish 1200 GMT 20 Jan 86

[Text] The counterrevolutionary bands have caused economic losses in excess of 55 million cordobas, but there are not enough data to determine the overall total.

Jaime Wheelock, minister of agricultural-livestock development and agrarian reform, noted that the contras destroyed 120,000 quintals of coffee from the last crop and stole approximately 2,000 head of cattle. The private producers of this sector suffered losses in excess of 200 million cordobas.

Speaking at the convention center in Managua during the annual evaluation assembly, Wheelock said that to this must be added the irreparable loss of human lives, which include those of 12 technicians, 14 laborers, and 53 peasants. In addition, 168 people were wounded and/or kidnapped during the attacks by the mercenary bands.

Because of attacks on the tobacco plantations, Nicaragua lost $3.5 million in exports.

INFLATION 'MOST NOTICEABLE' ECONOMIC PROBLEM

PA181527 San Jose RUMBO CENTROAMERICANO in Spanish 27 Dec-2 Jan 86 pp 18, 19

[Excerpt] RUMBO CENTROAMERICANO has obtained a copy of a report issued by a group of professionals who visited Nicaragua recently.

According to this group, the spiraling inflation affecting the Nicaraguan economy is the most noticeable aspect. According to the conclusions of these investigators, there are reliable figures to estimate the cost of living, despite the fact that the government is reluctant to issue reliable reports and admit that prices increased between 250 and 300 percent in 1985.

Parallel to the inflationary process, Nicaraguan society is facing the migration of people from the rural areas to the cities. The people are fleeing the areas considered as war zones and have created shanty towns that are growing -- a problem with little chance of being solved soon.

In addition to this, there is the problem that most of these people are peasants whose crops are left abandoned, thus further contributing to the scarcity of basic grains and an increase in prices. Furthermore, the peasants cannot adjust to the work of the city and for this reason they increase the number of unemployed people, who make up 25 to 30 percent of the economically active population.

The Banks

The topic of state banks in Nicaragua continues to be controversial. According to the analysis made by these professionals, the objectives of government policy are still not clear.

The commercial interest rate is approximately 30 percent and the banks are giving 15 percent interest on deposits. The income tax for companies remains at 40 percent.

Regarding the parity between the cordoba and the dollar, there is no uniform criterion, and consequently, there are seven different exchange rates on the foreign exchange market.

The official exchange rate used to pay state debts is 10 cordobas per dollar. However the exchange rate for the purchase of raw materials is set at 22.60 per dollar. This latter case is subject to an authorization from the Industry Ministry and the items to be purchased are usually offered by Soviet bloc countries, Argentina, Brazil, Austria, Spain, and Mexico.

There is also the so-called official exchange rate of 28 cordobas per dollar, which is valid for obligations of the government and the diplomatic corps. The exchange rate for essential goods, machinery, and equipment is 40 cordobas per dollar; for students abroad it is 50 per dollar; at the parallel market it even reaches 700 cordobas per dollar; and in the black market it remains at 800 per dollar.

Controls

Regarding production, state control is evident in every vital area. The Industry Ministry decides, at the beginning of each year, what and how much every enterprise must produce. In addition, it establishes consumer prices.

When there is duplication in the production of two or more enterprises, the government suggests the specialization that each one must have so that it can produce substitute goods and not become competition for the others.

Wages

Another source of conflict is the wage scale because the commanders establish top wages for categories defined by the law and this forces employers to look for subterfuges to increase their workers' income.

In addition, because of the inflation and the scarcity of goods, the government authorizes frequent wage increases for the official sector, and this becomes evident in the basic salary of this group, which is currently 28,900 cordobas per month, whereas 2 years ago it was 10,000. Meanwhile, other workers receive proportionate increases. [sentence as published]

In salary negotiations, the Sandinists usually reject benefits proposed by the companies and the unions. The salaries continue to be much lower than the real cost of living. In 1980, the minimum wage was 1,200 cordobas. This year it was 4,500 cordobas. However, the price of milk was one-third of what it is today and the price of beans was one-half of today's cost. It is estimated that an electrical appliance may cost as much as 11 times more than it cost in the past.

ECONOMIC POLICIES FACING RESISTANCE, SHORTAGES

PA152353 San Jose Radio Impacto in Spanish 1830 GMT 14 Jan 86

[Text] Incidents that have taken place in Nicaraguan marketplaces in the past few days have taken a tragic toll, including one government officer shot to death and another who sustained serious knife wounds. As we reported, a person was killed in the Managua East Side Market on Thursday.

Despite the authorities' reticence and the press censorship, it was learned that a 16-year-old youth fired four shots at an inspector from the Ministry of Domestic Trade [Micoin] who was violently trying to confiscate articles from the boy's mother. The incident occurred in the East Side Market in an area where toiletries are sold. Seeing the price inspector's violence against his mother, the 16-year-old youth took out a gun and fired four times at the Micoin official, who died immediately.

In the market in Masaya, a city that is located a few kilometers from Managua, a stall owner stabbed another Micoin inspector who was violently trying to confiscate his merchandise.

The various incidents that are occurring in the markets in Managua and other major cities are a result of the price increase on staple items. The merchants increased prices after the regime announced a salary increase at the beginning of this year. The Sandinist authorities apparently will not allow profiteering, and are taking action against store owners whom they accuse of hoarding articles.

The regime's newspapers indicate that fines in the millions have been imposed and that millions of cordobas in articles have been confiscated. The merchants are angry, and several partial strikes have been staged by merchants who have preferred to close their stalls rather than have their articles confiscated. Logically, articles that are usually hard to obtain have disappeared from the market. Beef is so hard to obtain that restaurant owners in the Managua area are asking clients not to order any dish made of beef.

LA PRENSA NEWSMAN ARRESTED FOR DISTRIBUTING FLYER

PA222225 Managua BARRICADA in Spanish 19 Jan 86 p 8

[Communique issued by the Nicaraguan Interior Ministry, Minint, dated 19 January]

[Text] The Minint reports that Enrique Garcia, journalist of the newspaper LA PRENSA, was arrested by the General Directorate of State Security for violating the law of public order and security because he is involved in the preparation and distribution of a clandestine flyer called PRISMA.

It has been already reported that the flyer was suspended by the Communications Media Directorate because it jeopardized the security of the nation, the country's economy, and the legal authorities.

Issued in the city of Managua on 18 January 1986
Public Relations Directorate, Interior Ministry

BISHOP SEEKS NORMAL RELATIONS WITH GOVERNMENT

PA171532 Managua LA PRENSA in Spanish 15 Jan 86 pp 1, 10

[Excerpts] Msgr Salvador Shlaefer, bishop of Bluefields, today said that a Nicaraguan Episcopal Conference delegation may meet in February with President Daniel Ortega in a new effort to normalize relations between the state and the Catholic Church.

Shlaefer said that this meeting will be part of the Bluefields Archdiocese's program of permanent contact with government sectors implemented throughout the past few years. He added: "The situation on the Atlantic coast is very different from the situation in the Pacific region, and because of this the relationship between the clergy and the government is different."

Shlaefer announced that he has invited Cardinal Miguel Obando y Bravo to visit Puerto Cabezas on 1 March, and that the Sandinist authorities in the area have authorized the visit.

The clergyman, who just concluded a tour of Waslala, Puerto Cabezas, Rosita, and Siuna, said that the majority of the Miskito people want to return to their lands on the banks of Rio Coco, but have faced difficulties. "The Miskitos want to return to Rio Coco, but there are a few exceptions. Those who speak Spanish are opposed," Shlaefer said. He added that of 9,000 Miskitos resettled in Puerto Cabezas and Rosita, approximately half have already returned to Rio Coco.

"The situation is complicated," he added, "because one faction of Miskito, Sumu, Rama, Sandinist Unity [Misurasata] has accepted the government's amnesty, while other factions have not. This is the case with the Organization of Nicaraguan Miskitos [Misatan]."

FOREIGN MINISTER MALMIERCA STILL IN LESOTHO

PA221814 Paris AFP in Spanish 1747 GMT 22 Jan 86

[Text] Johannesburg, 22 Jan (AFP) -- Cuban Foreign Minister Isidoro Malmierca remains confined to his hotel room in Maseru, capital of Lesotho, according to what has been established by AFP. Today, for the third time since he was confined to his hotel room, Malmierca was visited by Soviet Ambassador to Maseru Vladimir Gavrioushkin.

An AFP correspondent was able to establish telephone contact with one of Malmierca's aides, who in a brief conversation in Spanish said laconically: "We have nothing to say." Malmierca arrived in Lesotho last Friday to visit the government of Prime Minister Leabua Jonathan, who was overthrown on Monday by General Justin Lekhanya.

Today the new military authorities invested King Moshoeshoe II of Lesotho with "legislative and executive powers," according to a radio announcement in this small country of 30,000 square km and 1.5 million people.

Reports of Casualties Refuted

PA230347 Paris AFP in Spanish 2038 GMT 22 Jan 86

[Excerpt] New York, 22 Jan (AFP) -- Official Cuban sources at the United Nations today flatly denied there have been any dead or wounded among the Cuban delegation, headed by Foreign Minister Isidoro Malmierca, which is currently staying at a hotel in Maseru, capital of Lesotho. The sources also told AFP that the Cuban mission to the United Nations spoke over the telephone with their fellow countrymen in Maseru today, Wednesday, and that "everyone is well."

This has been the response of official Cuban circles to reports from South Africa that a member of the Cuban delegation, which arrived in Maseru to open a Cuban Embassy there, had been killed in the course of the disturbances that accompanied the overthrow of Prime Minister Leabua Jonathan.

FIDEL CASTRO MEETS WITH JAPANESE DEPUTIES

FL221337 Havana Radio Progreso Network in Spanish 1200 GMT 22 Jan 86

[Text] Last night at the Palace of the Revolution Commander in Chief Fidel Castro met with Japanese Diet Deputy (Yoshio Sakarushi) and deputy (Osamu Inaba), who were accompanied by the Japanese ambassador to Cuba.

During the talks, held in the climate of friendship which characterizes relations between the two countries, various aspects of bilateral relations, the international situation, the world economic crisis, and other matters of interest were discussed.

FIDEL CASTRO VISITS SITE OF HOTEL FIRE

FL221858 Bridgetown CANA in English 1839 GMT 22 Jan 86

[Text] Havana, Jan 22, CANA-REUTER -- Firemen today doused a blaze that raged overnight in the basement of the Havana Libre Hotel and forced evacuation of the luxurious tourist attraction, police said.

No one was hurt in the fire, which burned for 12 hours in the 25-story hotel.

Firemen said the blaze, which sent thick black smoke billowing into surrounding streets, was confined to the basement and garage area. They were investigating the cause. President Fidel Castro briefly visited the hotel two hours after the fire began last night and spoke to police and fire officials.

1 MILLION EXPECTED AT PARTY CONGRESS RALLY

FL180041 Havana Radio Periodico del Aire in Spanish 2230 GMT 17 Jan 86

[Text] Over 1 million Havana residents, representing all the Cuban people, will go to Revolutionary Square on 7 February to participate in the great closing ceremony of the party third congress, which begins at the Havana Palace of Conventions on 4 February.

With the enthusiasm, happiness, organization, and discipline which characterizes our people, workers, members of the federation of Cuban women and Committees for the Defense of the Revolutions, students, each man and woman of the host city will reiterate once more in front of the statue of our national hero, Jose Marti, their unyielding identification with and support for the party and Fidel.

COMMENTARY LINKS STRONG DEFENSE, PCC POLICY

PA222310 Havana International Service in Spanish 0000 GMT 22 Jan 86

["Our America" commentary]

[Text] A revolution is valuable if it knows how to defend itself; that historical principle governs the actions of the Communist Party of Cuba [PCC], which will hold its third congress in early February. The task of elaborating the state's military policy and doctrine to guarantee the country's defense is the driving force for Cuban society advocated by the PCC.

The most recent threats and aggressions from Washington, as well as an analysis of the possible character of Washington's military actions against Cuba through the use of its forces and resources, prompted the party's directorate to conceive a total popular defensive strategy which is: to promote the war of all the people as an effective instrument to resist a militarily more powerful enemy in order to achieve victory over it. This implies that each Cuban citizen, neighborhood, municipality, and province will have established in advance their plans and tasks to wage a fierce and victorious struggle.

The PCC and its First Secretary Fidel Castro were the main promoters of the establishment of territorial troop militias in each corner of the country. In this way, more than 1 million armed men and women were added to the regular forces and their reserves. Zones and defense councils, tasked with the development of a popular war against the invaders, also appeared. The party has at no time neglected the constant renovation of our combat technique and the training of military cadres.

Raul Castro, minister of the Revolutionary Armed Forces, recently pointed out that the progress made in defense in the past 5 years would be simply inconceivable if we did not have a Communist Party with strong roots in the people, with ever increasing experience, and with a solid moral authority. In 1985 it assimilated a good number of new weapons techniques. This constitutes a substantial modernization of the country's defensive potential. The Revolutionary Armed Forces, together with the militias, have upgraded their maneuverability, firepower, and ability to protect their soldiers. They have also shortened preparedness time to give an overwhelming response to the enemy's actions.

The close link between the Armed Forces, territorial troops, militias, and defense zones was evident last August in the "Third Congress of the Party" joint maneuvers held in the eastern part of the island -- the largest ever held in Cuba.

The PCC, as its program specifies, pays attention to and will continue to pay attention to the strengthening of the country's defensive capability. It is aware that the revolution's future greatly depends on its military might and its real possibilities to crush any aggressive attack by imperialism.

BRIEFS

OIL WELL EXPLORATION -- Six oil wells are in the investigative or drilling phase in Pinar Del Rio Province as part of the policy to search for hydrocarbon sources. Those under review, together with others throughout the country, will add knowledge of the gas-petroleum structure and varying labor conditions for developing oil extraction in Cuba. [Text] [Havana International Service in Spanish 1600 GMT 20 Jan 86 PA]

BAHAMAS

WHITFIELD ELECTED DEPUTY LEADER OF FNM

FL171950 Nassau Domestic Service in English 1800 GMT 17 Jan 86

[Text] The successful Wallace Whitfield is now the new deputy leader of the Free National Movement [FNM]. The FMN amended the party's constitution yesterday to create the new position. Mr Whitfield was elected to the position by affirmation. The convention comes to a close tonight. Among the items of the agenda for tonight: the election of officers for the party, and the keynote address to be delivered by the leader of the party, Mr Kendall Isaacs. He will be serving another term as FNM leader. Mr Isaacs was reelected unopposed to that position.

MINISTER SAYS STRIKING TEACHERS NOT TO BE PAID

FL212202 Nassau Domestic Service in English 1800 GMT 21 Jan 86

[Excerpts] President of the Bahamas Union of Teachers (Donald Simonet) says the teachers will continue their work to rule. Mr (Simonet's) statement today came in response to the minister of education's remarks made yesterday. Minister Adderley said as far as he is concerned, the matter regarding pay deductions for teachers who staged demonstrations last year is resolved. Inviting teachers to cause the schools to return to normalcy, Minister Adderley stood firm on his recommendation of deducting the salary of those who withdraw their services.

[Begin recording] The consequences of their withdrawing their teaching services from the classroom is that they thereby cease to perform the primary duty for which they were employed, and I do not propose to change the recommendation that those teachers who whould be paid for the days that they teach and those teachers who refuse to teach be not paid for the days when they refuse to teach.

It has long since become apparent to me that the motivations of some teachers were not entirely, for the most part, education. The school children and the ministry were being used by some union officials and a small minority of teachers as pawns in a political exercise towards the goal of political power sought by some. Everybody is free to seek political power, but I do not accept the proposition that teachers are to be used and students penalized in the process. Neither is it very helpful to good industrial or human relations when the unions consistently make statements which are so inaccurate. [end recording]

BARBADOS

TRADE FIGURES WITH CARICOM, LDC'S DETAILED

FL211754 Bridgetown CANA in English 1659 GMT 21 Jan 86

[Text] Bridgetown, Jan 21, CANA -- Barbados trade deficit with Trinidad and Tobago almost doubled in the first nine months of 1985, according to provisional figures. The government announced limited retaliatory action against selected Trinidad goods yesterday because of that country's import licensing policy, which has severly restricted local imports.

The trade gap widened to 65.9 million dollars in comparison to 34.3 million dollars for January-September 1984, the export promotion corporation reported. Total exports to Port-of-Spain were put at 26.6 million dollars, down from 53.5 million, and imports at 92.5 million dollars, up from 87.8 million dollars. The domestic export component was 22.8 million dollars in comparison to the 48.1 million dollars for the first nine months of 1984.

Commerce Minister Louis Tull told newsmen yesterday that Barbados was withholding licences for certain products from Trinidad and Tobago including meat products, detergents and biscuits. Tull said it was not something Barbados liked doing but there comes a time when we have to look after our interests in a more definite way.

The figures show that Barbados recorded a 12.3 million dollars trade deficit with its Caribbean Common Market (Caricom) trading partners for the period under review. There was a small surplus of 4.8 million dollars last year. The island sold the 12-member grouping 114.5 million dollars worth of goods and imported 126.8 million dollars.

At the end of the nine months period (January to September 1984) imports stood at 117.2 million dollars while exports were put at 122 million dollars. Domestic exports to Caricom decreased by 21.9 million dollars, from 73 million to 51.1 million.

The trade deficit with Jamaica was 15 million dollars. Barbados sold Jamaica 6.9 million dollars and imported 21.9 million dollars. The comparative figures for last year were imports at 16.1 million dollars and exports at 7.5 million dollars.

Domestic export to Guyana increased marginally by one per cent to 1.3 million dollars. Overall exports to Guyana, mainly of re-exports of oil, reached 49.3 million in comparison to 30.9 million last year.

Trade with the rest of Caricom, the seven-member Organisation of Eastern Caribbean states (OECS) and Belize, categorised as LDC's, was up. Overall exports to LDC's were 30 million dollars and imports 7.9 million dollars while in 1984 exports stood at 28.5 million dollars and imports at 8 million dollars. Domestic exports reached 19.9 million dollars in comparison to 15.7 million in 1984.

GRENADA

COURT RULES AGAINST HUMPHREY EXTRADITION

FL211735 Bridgetown CANA in English 1722 GMT 21 Jan 86

[Text] St Georges, Jan 21, CANA -- Grenadian trade unionist Chester Humphrey today won his battle against extradition to the United States to face gun-running charges. All three judges of the Court of Appeal ruled that the trade union leader could not be sent back to the U.S. because a sufficient case had not been made out against him. Two lower courts had upheld the American request.

Humphrey and another Grenada-born naturalized American James Wardally jumped bail in 1980 in the U.S. and returned to their homeland which was then under leftist rule. Wardally has since left Grenada. The two are accused of smuggling arms to Grenada.

HAITI

GOVERNMENT RADIO, PAPER BLAME CHURCH FOR CRISIS

FL171440 Bonaire Trans World Radio in English 1130 GMT 17 Jan 86

[Text] In Haiti, schools remain closed for a 7th straight day yesterday to prevent possible antigovernment protests.

Meanwhile, an editorial in the official government newspaper blamed the church for the crisis in Haiti, and the government-run radio station charged that Haiti's 600 Catholic priests are like a basket of oranges. If one or two are rotten, all will be spoiled. At the same time the government station was broadcasting that charge, the Catholic-operated station Radio Soleil was broadcasting messages from the leaders of several religious denominations who delivered speeches critical of the Haitian Government.

JAMAICA

SEAGA TO PAY OFFICIAL VISIT TO TRINIDAD-TOBAGO

FL202338 Bridgetown CANA in English 2156 GMT 20 Jan 86

[Text] Port-of-Spain, Trinidad, Jan 20, CANA -- Jamaican Prime Minister Edward Seaga will pay an official visit to Trinidad and Tobago from March 1-4, the Ministry of External Affairs said tonight. The ministry said the visit is in return for one made to Jamaica last November by Trinidad and Tobago Prime Minister George Chambers.

TEACHERS RETURN TO WORK; NEGOTIATIONS TO RESUME

FL171700 Bridgetown CANA in English 1651 GMT 17 Jan 86

[Text] Kingston, Jamaica, Jan 17, CANA -- Jamaican teachers who have been taking casual leave since Monday to back demands for an increased pay offer by government, returned to their classrooms today. Since Monday, teachers had taken their leave in rotation, forcing principals at most of the islands nearly 1,000 public schools to send home students.

In response to a statement by Public Service Minister Errol Anderson, the teachers union said yesterday that if government was offering between a 35 and 50 per cent increase on salaries as of April 1, 1985, it would be a reasonable basis on which to continue negotiations.

Meanwhile, hundreds of fifth and sixth form students demonstrated today in front of the Ministry of Education building here in support of the teachers and better education.

ST CHRISTOPHER-NEVIS

SIMMONDS EXPOUNDS ON HUMAN RIGHTS, DEMOCRACY

FL201740 Bridgetown CANA in English 2130 GMT 19 Jan 86

[By Irvine Reid]

[Text] Bridgetown, Barbados, Jan 19, CANA -- St Kitts and Nevis Prime Minister Dr Kennedy Simmonds today urged Caribbean leaders to have an early look at human rights and the free exercise of the democratic process in the region. He made the call at the opening of the ruling Barbados Labour Party's (BLP) 47th annual convention in Bridgetown.

He said the lessons of Grenada, where a Caribbean supported American 1983 invasion toppled a leftist junta in a move that led to the restoration of parliamentary democracy, must not be forgotten. The lessons of Grenada, going back to the roots, must not be lost upon us, he told the convention.

I, for one, must admit to some serious soul-searching about the issue of human rights and free exercise of the democratic process in the Caribbean Community and as a result I have merely reinforced my instinctive, innate belief that preservation of these values is as much a part of our duty as is the situation on international trade. As leaders we need to address these issues together by consultation at the earliest opportunity, Dr Simmonds told the more than 300 party members.

In the meantime, he said, Caribbean leaders must use the tools of democracy -- performance, persuasion and projection -- to offer their people a better quality of life. Our performance must reflect better and more relevant education, improved health care, increased economic activity leading to greater employment, and in general indicate that w[illegible]eting the needs of the society as preceived by the people, he remarked.

He said Caribbean governments must be prepared to project the way forward to give a realistic hope of a brighter future. Let the young see that there are indeed prospects for their development and a better life ahead, he suggested.

He reaffirmed support for the Caribbean Community (Caricom) despite its trade problems. I do earnestly believe that Caribbean economic cooperation can provide all of us in the region with a foundation, a base on which to build more stable and resilient economies. The larger market which the region provides is essential to the growth of every member of the community, Dr Simmonds said.

Talking about the plight of developing countries, the St Kitts and Nevis prime minister said it is painful to be a small independent country in today's hostile world. It is painful when the metropolitan powers who control the world's monetary system dictate the low prices for our primary products like sugar which they buy and on the other hand institute high prices for the machinery and other commodities which they sell.

It is painful when so much of the aid that we need finds its way back into donor country consultants and corporations. It is painful when a country like St Kitts and Nevis, which has lost money on the mainstay of its economy, sugar, for at least the last 15 years, has to fight tooth and nail to convince the World Bank and the International Monetary Fund (IMF) that by virtue of our underdevelopment we should qualify for concessionary assistance from the IDA (International Development Agency).

ST VINCENT-GRENADINES

1985 TOURISM FIGURES SHOW IMPROVEMENT

FL211810 Bridgetown CANA in English 1742 GMT 21 Jan 86

[Text] Kingstown, St Vincent, Jan 21, CANA -- Stay-over visitors to St Vincent and the Grenadines increased by more than 10 per cent last year, a senior official said. Marketing tourism development officer, Michael Peters, said the arrivals between January and November last year rose by 3,102, or 9.2 per cent over the same period in 1984.

Peters said although all the figures for December were not in, indications were that the overall increase would be between 10 and 11 per cent. He said the rise resulted from increased promotion in North America and Europe, and serious attempts to develop the industry locally.

Minister of Tourism John Horne described 1985 as a year of mixed fluctuating fortunes for the industry. He said the most disappointing feature was the fall-off in cruise ship business which dropped by as much as half. He, however, explained that the 58,921 cruise ship visitors who came to St Vincent and the Grenadines during 1984 were due to diversions from Grenada during the 1983 political disturbances there. Last year, 29,143 visitors came to the state on cruise ships.

Horne said we have not done worse than in previous years, though we have done no better. Now that Grenada is on stream again, it is natural that she would get back her full supply of visitors and, hence, the excess that came to us in that period has now fallen away. But he did not rule out severe harassment of visitors in 1985 as a contributing factor to the drop in cruise ship visits.

He said, though, that the situation at the port had improved in the last two months of last year due to efforts of the police department. Horne said the positive side of tourism in 1985 was an encouraging increase in visitors from Europe and efforts to bring back the yachting business -- which deteriorated over the last few years due to high yachting fees, now reduced by government.

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LABOR LEADER SAYS STRIKE MESSAGE CENSORED

PY232136 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1300 GMT 23 Jan 86

[Text] Buenos Aires, 23 Jan (NA) -- Saul Ubaldini, head of the General Confederation of Labor [CGT], has accused the government of censoring television stations to prevent the broadcasting of a message to "inform the people" about the reasons for tomorrow's general stoppage. In a press conference, Ubaldini said that the Secretariat of Public Information [SIP] today (for yesterday) decided to forbid broadcasting this message as a commercial on channels 9 and 13 of the capital.

Meanwhile, the SIP asserted that the decision to prohibit CGT's short commercial "is based on a difficult and controversial legal interpretation." In a concise communique made public at Government House last night, the SIP did not specify the legal reasons that allegedly justified the refusal to broadcast the CGT message. The communique stated that "this decision absolutely does not represent an act of censorship" of the union leaders and the CGT.

The communique, signed by SIP Operations Secretary Nestor Rodriguez Cross, said that "in regard to the accusation by the CGT about the nonbroadcast of the short message by the television channels, this prohibition is based on a difficult and controversial legal interpretation." "However, this is not an act of censorship, because the union leaders and Mr Ubaldini himself have been able to repeatedly refer to the stoppage called for next Friday in the newscasts," the communique adds. It asserts that "the national government respects the right to strike and the freedom of work. Consequently, it will not adopt in its communication media any attitude which might restrict these rights." "Once again, this attitude shows the equanimity prevailing in the communications media administrated by this secretariat," the communique concluded.

SIP Chief Takes Responsibility

PY232220 Buenos Aires Domestic Service in Spanish 1600 GMT 23 Jan 86

[Excerpt] Juan Radonjic, head of the Public Information Secretariat [SIP], today assumed all responsibility for not permitting the broadcast of the message of the General Confederation of Labor [CGT] on tomorrow's work stoppage to be broadcast through the official television channel. Radonjic made these statements in a press conference, and added that his attitude reflected a political decision by the government. It should be recalled that the CGT attempted to have this message broadcast on television channels 13 and 9 of this capital. Radonjic explained that the decision not to broadcast the CGT message was, in the case of the private television station, made by its executive board. In the case of the state-owned station, he gave the order himself. [passage omitted]

Public Transit Guaranteed

PY231055 Buenos Aires TELAM in Spanish 1850 GMT 22 Jan 86

[Text] Buenos Aires, 22 Jan -- The government will guarantee the security of the public transportation service throughout the country on 24 January when a 24-hour strike is scheduled. This has been officially announced.

Under provisions of Decree No 88, security forces will cooperate, as necessary, to prevent disturbances or incidents involving people, facilities, or vehicles, and maintain public service for transportation of goods and passengers during the strike on Friday 24 January. The decree, signed by President Raul Alfonsin, was released this afternoon by the Government House.

GRAIN, EQUIPMENT DEAL WITH SOVIETS INITIALED

PY232011 Buenos Aires DYN in Spanish 1338 GMT 22 Jan 86

[Text] Buenos Aires, 22 Jan (DYN) -- According to an agreement initialed by Foreign Trade and Industry Secretary Roberto Lavagna and Soviet Foreign Trade Deputy Minister Viktor Ivanov, the Soviet Union will buy from Argentina a minimum of 4.5 million tons annually of fodder cereals and soybeans over the period 1986-1990. The same agreement commits Argentina to buy industrial equipment worth $500 million from the USSR. The final signing of the agreement -- the second of this type between the two countries -- will take place in Moscow during the 3-day visit by Foreign Minister Dante Caputo and his delegation of 28, 29, and 30 January.

In a press conference last night, Roberto Lavagna said: "This agreement is substantially more important to the country than that of the 1980-1985 period, if we consider that the international competition within the grain market today is unfavorable to us." He added that the EC for example, in the last few years, has become a strong competitor against traditional grain-selling countries. Regarding the purchases Argentina will make, Lavagna explained that "details will be decided during the next few months." He added that the deal includes two of the four turbines to be used at the hydroelectric complex of Piedra del Aguila, together with railroad equipment and oil industry equipment.

Regarding the annual payment terms for the proposed $500 million purchases, Lavagna explained that $70 million will be paid in 1986, about $100 million in each of the next 3 years, and about $130 million will be paid in 1990. Soviet Deputy Minister Viktor Ivanov said that "our country is not offering Argentina products that Argentina does not need or products that will unfairly compete with local industry." He added: "We have good experience in the energy equipment and turbine fields, and we want to share this experience with you." During the initialing ceremony, Secretary Lavagna was accompanied by Lucio Reca, his counterpart of the agriculture, livestock and fishery secretariat; Jorge Cort, head of the National Grains Board; and Jorge Campbell, trade under secretary.

BRIEFS

AGREEMENT WITH CZECHOSLOVAKIA -- Buenos Aires, 22 Jan -- The Argentine foreign minister and the ambassador of Czechoslovakia today signed an agreement for bilateral cooperation in the cultural and scientific fields. This agreement is part of the Permanent Consultation and Information System that was established in June 1984 during the visit of the Czechoslovak Foreign Minister Bohuslav Chnoupek. [Excerpt] [Buenos Aires DYN in Spanish 1241 GMT 22 Jan 86 PY]

1985 GRAIN SHIPMENTS -- Buenos Aires, 11 Jan (DYN) -- According to the National Grains Board the volume of grain and by-products shipped during 1985 amounted to 27,931,088 tons, surpassing by 3.3 percent the previous record reached in 1983 and by 14.3 percent the amount shipped in 1984. [Summary] [Buenos Aires DYN in Spanish 1333 GMT 11 Jan 86 PY]

PAZ REVIEWS PROGRESS ON COCA REDUCTION

PY221157 Madrid EFE in Spanish 1629 GMT 21 Jan 86

[Text] La Paz, 21 Jan (EFE) -- President Victor Paz Estenssoro has stated that the reduction in coca cultivation that is being implemented in Bolivia will permit Bolivia to improve its foreign relations, particularly with the United States. The chief of state was expressing his satisfaction with a decision made by settlers to form a commission with the government to review "the voluntary reduction in the production of coca leaves." This plan is part of a program being conducted against drug trafficking by the government with the support of the United States in reducing coca cultivation. Coca is the raw material used to produce cocaine. The burning of coca fields has started in the Chapare area of Cochabamba Department, which is considered a drug trafficking stronghold. The campesinos receive $350 for every hectare destroyed. However, according to agrarian leaders, this sum does not compensate the peasants for the losses they suffer.

Peasant sectors opposed to the plan have provoked conflicts with the authorities and have confronted the "Leopards" and the "Pumas", police groups specialized in antidrug operations, headquartered in Chapare. The Confederation of Bolivian Settlers, which has a membership of 600,000 peasants, and the National Association of Coca Farmers (Anrpoca), which has 70,000 members, agreed "to negotiate the plan for reducing coca cultivation" in several areas during a meeting held yesterday with President Paz. Confederation of Bolivian Settlers Executive Secretary Elias Lopez has stated that "the government is asking us to reduce our crops, which are our means of living. In turn, it is only fair that the government provide us with potable water, electrical power, schools, hospitals, and roads and improve the subhuman living conditions prevailing in the countryside."

BEDREGAL DISCUSSES NEW POST, SEA OUTLET

PY240246 La Paz Cadena Panamericana in Spanish 0000 GMT 24 Jan 86

[Text] In a speech after his installation, Foreign Minister Guillermo Bedregal said that the parameters outlined by the government concerning international matters are translated into clear-cut actions within a Latin American and pro-Third-World context.

[Begin Bedregal recording] I believe that concrete actions will mark our foreign policy guidelines, namely our ties with the world, our zealous watchfulness over our border problems, our territorial sovereignty problems, our economic sovereignty, and our staunch Latin American and pro-Third-World position. Concerning this change, we have some basic concepts. Yesterday, I expressed some of them and now, amid the fraternal atmosphere of this ancestral home, I want to reflect with you, Foreign Ministry officials and our friends, on what foreign policy should be in order to honor the work and efforts of Dr Gaston Araoz and his assistants, and to be consistent with the course charted by our leader, the president of the Republic. In the first place, we must, once again, profess this nation's willingness to live in peace, to live amid the nations with the dignity pertaining to a nation made up of free men, without fear, without misery, without that tremendous uncertainty provoked by crisis. [end recording]

Afterward, the Foreign Minister agreed to talk with the press and the issue that was discussed concerned the sea outlet.

Here are Bedregal's statements:

[Begin Bedregal recording] I believe that to make a statement at the time when [words indistinct] is not appropriate. However, we believe, I personally believe, that the solution of this Latin American problem is a multilateral solution. On this point [words indistinct] the multilateral character of hemispheric organizations, regional organizations, and the need to establish channels and contacts concerning a problem that from (?every) point of view is being understood and basically concerns three countries. [end recording]

Concerning the alleged resumption of diplomatic ties with Chile, Bedregal said that this issue will be of vital importance. Asked whether he believed in the possibility of resuming the diplomatic ties, however the foreign minister answered that he only believes in God Almighty.

[Begin recording] [Unidentified reporter] Do you believe there is a possibility that our ties with Chile will again... [Bedregal, interrupting] I only believe in one thing. I believe in God Almighty. [end recording] These were the statements Foreign Minister Guillermo Bedregal made shortly after he took office.

BEDREGAL, LABOR LEADER HOLD TV DEBATE

PY170119 La Paz Cadena Panamericana in Spanish 0000 GMT 17 Jan 86

[Text] Planning and Coordination Minister Guillermo Bedregal Gutierrez has held a television debate with Juan Lechin Oquendo, the leader of the Bolivian Labor Confederation. Guillermo Bedregal also attended today the meeting of the MNR [Nationalist Revolutionary Movement] held today at Government Palace. He talked with Radio Panamericana upon leaving Government Palace about the debate held with Juan Lechin Oquendo.

[Begin recording] It was a civilized debate. [Words indistinct] [end recording]

The debate [words indistinct] will continue on 21 January. This station asked Minister Bedregal if he believes that the government economic policies will really be discussed the next debate.

[Begin recording] I believe that the problem arises from [words indistinct] the questions and the time limitations. [Words indistinct] get to an agreement with the moderator so that the questions are more specific. I believe I gave a general picture that shows the different positions, of what is true and what is not true. [end recording]

In conclusion, Minister Bedregal said that the first television debate with Juan Lechin Oquendo was positive.

Debate Prompts Investigation

PY231946 Paris AFP in Spanish 1414 GMT 23 Jan 86

[Text] La Paz, 23 Jan (AFP) -- It was reported here today that the Bolivian Chamber of Deputies has decided to investigate the charges of Bolivian Labor Confederation (COB) leader Juan Lechin Oquendo against the former planning minister and current foreign minister, Guillermo Bedregal, concerning an official purchase amounting to $1 million. This decision was made after Lechin claimed that Bedregal had not actually purchased a shipment of butter for the Mining Corporation of Bolivia (COMIBOL) even though the full amount for the purchase had been disbursed.

Juan Lechin Oquendo hurled this serious charge on 21 January during a TV debate broadcast by La Paz Channel 9. Lechin said that his source was Deputy Edwin Rodriguez, of the ruling Nationalist Revolutionary Movement. (MNR).

INTERIOR MINISTER SEES LABOR SITUATION DETERIORATING

PY230239 Paris AFP in Spanish 0019 GMT 23 Jan 86

[Text] La Paz, 22 Jan (AFP) -- Interior Minister Fernando Barthelemy today stated that the labor situation is getting worse because of the overall situation of the country and the workers' protests and strikes. The minister, who told the press that he had been confirmed in his post by President Victor Paz Estenssoro, pointed out that the government cannot oppose the strike that the Bolivian Labor Confederation (COB) has ordered. He added, however, that the people will not be deprived of basic services, and stressed that public administration will have to operate because public servants' labor unions are not recognized. Barthelemy said the Cabinet shuffle was necessary in order to seriously address the current crisis. The COB, meanwhile, has confirmed the launching of its plan of struggle that will begin with a 24-hour strike on 23 January, and urged all Bolivian labor unions to hold meetings, demonstrations, and rallies in order to discuss and reject the government's economic and social plan. COB leader Walter Delgadillo reported that only urgent and emergency services will operate, including international air transportation.

Warning Issued on Strike

PY231807 La Paz Cadena Panamericana in Spanish 1130 GMT 23 Jan 86

[Text] The Interior Ministry says that it will not permit any disorders today, Thursday. In a communique released last night, the ministry says that it will prevent any attempt to damage public or private property, using all the powers available to it according to the law. The ministry also warns that no public servant may be absent from work today, because the Constitution does not recognize trade unions among public servants.

Union Leaders Arrested

PY240112 Paris AFP in Spanish 2355 GMT 23 Jan 86

[Text] La Paz, 23 Jan (AFP) -- Americo Trino, a member of the COB, reported here today that civilian agents of the Interior Ministry today arrested several leaders of the oil and communications workers unions, while they were holding meetings at the places where they work. The workers meetings were being held to express support for the 24-hour general strike by the COB demanding that the government act on its demands for wage increases, work stability, and changes in economic policy. Walter Delgadillo, the COB's secretary general, has reported that the 24-hour national strike is the first step in the struggle against hunger and misery. He also stated that the strike is being observed with discipline throughout the country. He praised the marches, demonstrations, and the meetings of the workers, employees, teachers, and other sectors in several areas of the city, and he charged that the government has threatened to fire those who obey the COB's order to strike. Marches are being carried out in the main streets of this city. One group of marchers tried to get into the main plaza, where Government House is located, but is was repelled by the police with tear gas.

Strike 'Virtual Failure'

PY231937 La Paz Cadena Panamericana in Spanish 1700 GMT 23 Jan 86

[Excerpts] The strike decreed by the national meeting of the [COB] is being partially observed in La Paz, and, according to COB reports, it is general and orderly in the interior. In La Paz, public servants went to work normally, and in the case of the National Telecommunications Enterprise, a general assembly was suppressed and several participants were detained, as were Bolivian Government Oil Deposits [YPFB] union leaders Arturo Lopez and Hernando Valdeviesos, according to a charge made by YPFB union leader Oscar Pineiros. The public servants justify the nonobservance of the COB strike with the statement that they have been intimidated by the government. The strike among the La Paz factory workers is general. This morning assemblies were held, which were attended by COB leaders.

We now contact the interior of the country. Our correspondent in Cochabamba city reports that, as of this newscast, the strike decreed by the COB has virtually failed. According to his report, banks, businesses, and public administration are working almost normally, as is public transport, which is not COB-affilliated. [Begin relay from Cochabamba] The decision of the COB to declare a 24-hour strike has met with failure here, because the march called by the Departmental Labor Federation for 0900 was not attended by the necessary number of workers. It did not start until 1100, and only a small number of workers participated. According to labor leaders, public servants and private business employees had received threats, so they could not attend the march. [end relay] This was the report from Cochabamba city. The strike decreed by the COB national meeting was a virtual failure.

BRIEFS

OIL COMPANY'S DEBT -- According to Bolivian Government Oil Deposits [YPFB] sources, the accumulated debt of this company reached $158 million on 31 December 1985. Most of the debt is owed to the IDB and other international organizations, but part of it is owed to private banks. It was reported that this year YPFB will pay off $31 million of the principal and $24 million in interest. The government plans to renegotiate YPFB's debts, together with those of other state companies when renegotiating the Bolivian foreign debt with international banks. [Summary] [La Paz PRESENCIA in Spanish 7 Jan 86 p 9 PY]

SARNEY, BETANCUR CHANGE LOCATION OF MEETING

PY230149 Rio de Janeiro O GLOBO in Portuguese 22 Jan 86 p 1

[Text] The Brazilian and Colombian Governments have decided to change the venue of the meeting between President Jose Sarney and President Belisario Betancur from Tabatinga, the border city initially chosen, to Manaus. In the note announcing the change of location, Itamaraty said that Manaus offers better logistics. The chief of the military cabinet, Ruben Bayma Denys, confirmed the information made public by Itamaraty. Foreign Ministry sources admitted that several factors, including access difficulties and security questions, had been considered.

SETUBAL ENDORSES RESIGNATIONS, TO RUN FOR OFFICE

PY231848 Sao Paulo Radio Bandeirantes Network in Portuguese 0130 GMT 23 Jan 86

[Text] The proposal of a mass resignation of the current Cabinet has been defended again by Foreign Minister Olavo Setubal. In statements made today at (Cumbicas) Airport in Sao Paulo, Setubal said he would leave the Foreign Ministry to run as a candidate in the next elections for Sao Paulo governor. He said that a mass resignation of the Cabinet on 15 February will give President Sarney the freedom to choose his closest aides.

GOVERNMENT PLANS SATELLITE TRACKING SYSTEM

PY212342 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jan 86 p 24

[Excerpt] In May 1987 Brazil will be the first country in the Southern Hemisphere to possess a system capable of locating lost ships and planes within hours. This will be possible thanks to a transmitter that has been under development since 1984 by researchers of the National Institute of Space Research (INPE), in Cachoeira Paulista, 197 km northeast of Sao Paulo. The rapid operation of this new scientific equipment is possible through the use of remote-sensing search satellites -- the Sarsat (International Search and Rescue Satellite System) that can be operated in cooperation with France, Canada, and the United States and the Cospas of the Soviet Union. These systems can receive signals from a transmitter which detects and locates areas where aircraft and ship accidents took place and send them to one or more land-based receivers.

Brazil's participation in the Sarsat/Cospas program is the final phase of implementation. Meanwhile, the Canadian Government made available to the INPE of Cachoeira Paulista a receiving station that should be in operation next year. But, considering the size of Brazilian territory, other stations are needed to facilitate the reception of signals from the satellites.

According to researcher Jose Luis de Barros Aguirre, 36, head of the Development Department of Instrument Systems of the INPE, the participation of Brazil in that program, which will soon be approved by the Brazilian Commission of Space Activities (COBAE) will bring great scientific and economic benefits. He pointed out that "because of our large territorial size, scant population, and the extent of our territorial sea, participtation in this program will reduce the cost of search and rescue of aricrafts and ships involved in accidents."

CNEN PRESIDENT OUTLINES NUCLEAR RESEARCH

PY151625 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jan 86 p 7

[By Jose Roberto Arruda]

[Text] While the official nuclear program continues to experience difficulties and to suffer from a serious financial crisis, the parallel, or autonomous program, as President of the National Commission for Nuclear Energy [CNEN] Rex Nazare Alves prefers to describe it, is doing very well in its attempt to try to master the complete fuel cycle, including uranium enrichment and reprocessing.

Classified as a supersecret subject until now, Nazare has spoken about this subject for the first time. The key to the strategy of this program is its diversification. This CNEN program employs 3,000 nuclear experts, physicists, chemists, engineers, and other specialists. Nazare explained that he is obtaining good results because he has managed to convince businessmen that nuclear energy will be a great business for them.

The program does not envisage any great commissions or exaggerated plans. The CNEN selected the chemistry, metallurgy, and informatics industries that may become intererested in obtaining some of the technology developed in the CNEN analysis superlaboratories installed in the Aeronautics Technological Center in Sao Jose dos Campos, the Institute for Nuclear Energy Research [IPEN] in Sao Paulo, and the Nuclear Technology Development Center in Belo Horizonte.

The radioisotope production and research programs for the medicine, industry, and agriculture fields, as well as the fact that the CNEN studies and controls 2,325 private and state companies that in some manner deal with nuclear products, have formed a structure that has allowed this independent organization to undertake a parallel nuclear program.

When in 1981 the Brazilian Government started doubting the effectiveness of the nuclear program envisioned and negotiated by Shigeaki Ueki and Paulo Nogueira Batista during President Geisel's administration, and considering the great uncertainty that the uranium enrichment technology sold by Germany represented and still represents, the alternative was to trust in the CNEN capability to develop other national techniques in the fuel cycle field.

The parallel program, which started in 1982, has already mastered the uranium hexafluoride (UF-6) production technology at the IPEN in Sao Paulo. Moreover, it is conducting research programs in all other areas of the fuel cycle. According to Nazare, the secret lies in decentralizing, debureaucratizing, and relying on private enterprise. Nazare said: "You have to call businessmen, convince them that nuclear energy can be a big business, and get them hooked on the program. The CNEN selects specific national companies, most of which are small and medium-sized, with an affinity or capacity to participate in a specific sector. Then the CNEN appoints its nuclear technicians to work on the development of specific products or research programs inside these selected companies. They use the laboratories of these companies for various experiments. Thus, these companies make a substantial contribution to cutting costs."

Once the product has been developed and the technology is mastered, the CNEN receives a small income as royalty (between 2 and 5 percent), and the company develops the product at the industrial level.

Nazare noted that the fuel cycle needs to be fully mastered in order to be able to run research reactors and to guarantee the production of radioisotopes, which in turn will be used in other areas. He added that energy is merely one of the many sectors in which nuclear energy can be used and that since the other areas in which it can be used are essential to the national economy, it is an effort that must be shared by the whole of society.

The CNEN president said that in addition to developing the technology to produce uranium hexafluoride, the IPEN, in cooperation with private enterprise, has already developed all the equipment and material necessary to produce this gas at the industrial level. Electronic equipment -- which is important for the production of robots and equipment needed for the handling of radiated material -- is being developed by the CNEN and passed to the private sector in those areas of larger consumption, such as in the case of multi-analyzers, preamplifiers, digital counters, feeding modules, and fluorimeters.

Nazare noted that in the area of mastering research reactors, important and technologically advanced equipment such as detectors, ionization chambers, which measure radiation, and proportional counters have been produced locally. In addition, Brazil will now be able to develop other technologies to export manufactured products rather than only nuclear raw materials.

As an example, Nazare mentioned beryl, a mineral existing in large deposits in Brazil which used to be exported at $90 or $100 per ton. Now it is refined and sold as beryllium carbonate [carbonato de oxido], which is sold at $300 per kilo. Some of the other technologies passed to the private sector include the production of organic solvent (tribatyl phosphate), trioctyl phophinoxic, crystallized magnesium, and zirconium oxide of nuclear or ceramic grade, among others. Considering the multiplying effect, Nazare did not want to predict when Brazil will master the fuel cycle with national technology. However, by his smile one can be assured that Brazil has found the way.

BRIEFS

TRADE BALANCE SURPLUS -- Finance Minister Dilson Funaro has announced in Brasilia that the Brazilian trade balance for 1985 showed a $12.45 billion surplus. This is below the $13,089 billion registered in 1984. In 1985 Brazilian exports amounted to $25,639 billion and imports $13,189 billion. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jan 86 p 1 PY]

JAPAN TO BUY ALCOHOL -- Wills Banks, export director of the Sugar and Alcohol Institute, yesterday disclosed that there are plans to sell alcohol to Japan at 10 percent less than the established price. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jan 86 p 28 PY]

SUMMER TIME POSTPONED -- President Sarney today signed a decree prolonging daylight-saving time until 0000 29 March in the effort to save electrical energy, which may have to be rationed due to severe drought. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Jan 86 PY]

LIBERALS REJECT AGREEMENT WITH AD, MDP

PY232127 Santiago LA TERCERA DE LA HORA in Spanish 18 Jan 86 p C 3

[Text] The Liberal Party [PL], yesterday reiterated its rejection of an agreement between the forces of the Democratic Alliance [AD] and the Popular Democratic Movement [MDP] because it feels that the Communist Party's [PCCh] strategy does not seek to reestablish free coexistence in Chile. In a public declaration delivered by PL President Gaston Ureta, the PL refers to the debate the party will continue holding next week on whether to consider the MDP's proposal to form a single opposition. He said that "the PL will continue to reject an agreement with such a bloc until it moves toward a more democratic method of struggle."

Ureta added that "the PCCh's position seeking the elimination of the military regime by force provides a splendid argument to President Pinochet. If the military power, as a consequence of the National Security Doctrine, has declared war against Marxism, it will logically need an enemy to confront. If the PCCh joined the nonviolent dissidence instead of confronting the regime, the internal war in Chile would cease, and the military intervention in government would lose much of its reason for being."

The PL declaration also says: "The PCCh strategy is not intended to reestablish free coexistence in Chile; and to interpret this as an anticommunist position would be regrettable. Liberalism as a culture has never restricted the freedom of thought. Therefore, it does not condemn political ideas but it does condemn behavior that opposes a free and democratic system of government."

"We want to stress that there is no identity crisis in any of the political groups of the AD. The reason for our struggle is democracy. In the specific case of Chile, anyone who favors insurrection is not helping in the effort to recover public freedoms. There is an undeniable agreement in the AD on this issue. If there were not, the country would not trust the democratic opposition bloc" as it does, the PL declaration states.

It adds: "We are likewise sure that the leftist sectors are aware that when socialism triumphs by a popular uprising, the consolidation of that revolution is always defended by the weapons of the PCCh, which in the long run dominates the process completely. Those who then live under this new system and wish to express their opinion with knowledge from the inside, may no longer question, abolish, or even escape from the system. This is why we believe that revolution and democracy are two ideas that clash."

The declaration concludes. "These beliefs make us vote against any agreement with the MDP. The internal discussions of the Democratic Alliance on this topic will be very helpful -- it will act as a reaffirmation of the bloc's confidence in its ability to help build effectively the free government Chile demands and to confirm its commitment to the National Accord. We liberals believe that the accord carries within itself the moral value of the Chilean people's sovereignty, and no one can suppress this right."

ARGENTINE SUPPORT FOR 'SUBVERSIVES' QUESTIONED

PY232328 Paris AFP in Spanish 1404 GMT 23 Jan 86

[Text] Santiago, 23 Jan (AFP) -- Official sources today reported that Chilean authorities would like to know more details about the support Argentine organizations might be giving to the outlawed Chilean Communist Party in order to stimulate subversion against General Augusto Pinochet's regime.

Argentine Interior Minister Antonio Troccoli admitted in Buenos Aires that his government is concerned about the possibility of an armed insurrection against Pinochet originating in Argentina. In an interview published in the latest edition of the weekly SOMOS, Troccoli said: We have this concern. We do not wish for other countries what we do not wish for Argentina. The sources added that the Chilean Foreign Ministry has asked Arturo Fontaine, Chilean ambassador in Buenos Aires, to request more details from the Argentine interior minister.

2 ALLEGED GUERRILLA INSTRUCTORS ARRESTED

PY232039 Paris AFP in Spanish 2311 GMT 22 Jan 86

[Text] Temuco, 22 Jan (AFP) -- According to an official communique released today security agents of the Chilean military regime have arrested two members of an alleged guerrilla school. They will be tried with 22 students who were arrested a week ago. Officials said that the students were arrested on 18 January near Temuco, 700 km south of Santiago, on charges of carrying out guerrilla practices as members of the proscribed Communist Party.

The communique released today by the military command of the state of emergency zone says that the two people arrested, Manuel Ruiz Legal and Juan Valdes Recabarren, are instructors of the guerrilla school and have received training in Cuba. Relatives of the students have said however, that the students were arrested on 16 January while setting up a summer camp for voluntary social work in a rural community. They are all innocent and do not belong to any extremist organization, according to their relatives, who held a dramatic press conference at the Temuco bishopric.

PEACE COMMISSION AWAITS FARC AGREEMENT APPROVAL

PA231652 Bogota Television Service in Spanish 0000 GMT 23 Jan 86

[Text] Colombia's peace process is irreversible. The Peace Commission disclosed this morning that the draft of an agreement with the Revolutionary Armed Forces of Colombia [FARC] is ready and has been approved by President Betancur. The draft is in the hands of the country's oldest guerrilla group for its approval. The document covers two basic points: The time limits for the truce are eliminated and the system to dismantle the 26 FARC guerrilla fronts is established.

[Begin recording] [Reporter Alvaro Osorio] The Peace Commission today informed the FARC General Staff of the points regarding the extension of the deadline for the peace agreements. This document is to be signed in the next few days.

Mr Alirio Caicedo, secretary of the Peace Commission, what is the most important point of the document extending the deadline of the agreements?

[Caicedo] The fact that these organizations can continue to be involved in the country's political, social, and economic life as agreed in the La Uribe pacts of 1984.

[Osorio] A gradual dismantling of FARC fronts is mentioned. What terms will be used for this?

[Caicedo] This means that they are demobilizing their military organizations and their comrades-in-arms to join their political organizations through the [word indistinct] and the party they have formed. Consequently, this implies a gradual dismantling of this organization.

[Osorio] The document calls for an indefinite extension of the deadline of the peace agreements; FARC's incorporation into the country's political, economic, and social life; and the gradual dismantling of the 27 [figure as heard] fronts.

FARC leaders learned about the points of the new agreement today through the channels that link the Peace Commission with the FARC camp. Peace Commission members might go to La Uribe next week to sign an extension of the agreements, which is viewed as integral to the success of the peace efforts of this administration. [end recording]

RICARDO FRONT LEADER THREATENS MORE EXECUTIONS

PA222111 Bogota EL TIEMPO in Spanish 17 Jan 86 p 12

[Communique issued by Jose Fedor Rey, alias Javier Delgado, commander of the Ricardo Franco Front; place and date not given]

[Text] The general commander of the Ricardo Franco Front of the Revolutionary Armed Forces of Colombia-People's Army [FARC-EP] informs its members, its sympathizers, and the general public of the following:

The statements made to various local media by the traitor Omar Gonzalez and his anti-revolutionary chums about an alleged change of the general commander of the Ricardo Franco Front and about the holding of a revolutionary council to discuss the acts of justice that I have personally applied in defense of the revolutionary movement and of my own life, are merely the product of an unsuccessful elimination plan directed by the Revolutionary Armed Forces of Colombia-Patriotic Union [FARC-UP] general staff against its dissidents of the Ricardo Franco Front.

Once the plan was discovered, we succeeded in applying what revolutionary justice prescribes for those who become betrayers of the cause.

The wariness I have acquired throughout many years of experience in the struggle and in the decisionmaking process as the highest authority of the organization has been responsible for saving my life, which has been threatened several times by my own traitorous bodyguards who, once discovered, tacitly admitted the actions that they were to accomplish.

Therefore, there was no alternative but to unite our forces, ideas, and approaches with those of the superior command of the 19 April Movement [M-19], as a member of the National Guerrilla Coordinating Board. An infiltration similar to the one discovered in the Ricardo Franco Front was discovered within the M-19, so we concluded that the infiltration had to be halted to prevent the success of the malignant intentions.

A joint revolutionary council took place immediately and, based on the revolutionary norms of dignity, we administered the established code of justice to the rats of the FARC-UP, a group of traitorous revolutionaries who managed to reach high positions of command in our organization, like the charlatan Omar Gonzalez. He managed to escape with other top leaders of the finance commission, who are trying to take over the leadership of the Ricardo Franco Front in order to justify their actions.

Now, with my loyal, genuine revolutionaries, I will continue leading the Ricardo Franco Front, with the same characteristic fighting spirit and without being intimidated by the death threats made by the traitors at the service of the Colombian Communist Party [PCC], such as the FARC and the Patriotic Union (UP), and by others who have betrayed the organization to obtain purely personal benefits in exchange for becoming informers for the repressive state organizations. Disregarding the general directorate of the movement, these traitors have tried to reverse the application of the internal disciplinary rules of the organization.

Be warned, those who are still fugitives: No matter where you hide, sooner or later you will feel all the severity of revolutionary justice, in the same manner that it will be applied to the worms of the PCC, of the UP, and inescapably, to all the traitors of the general staff of the FARC forces, as we previously announced.

We will spare no effort to continue accomplishing what is today a reality for our glorious Ricardo Franco Front, with the road open to total success in achieving the goal that the organization set for itself ever since we were first threatened with death by the FARC forces and besieged by the state repressive forces.

We will continue struggling in defense of the less favored classes, which are oppressed by the ruling bourgeoisie, the landowners, and the exploitative voracity of foreign companies. Death to the charlatan Jacobo Arenas. Death to the FARC traitors. Death to the political charlatans of the UP.

Javier Delgado.

FURTHER ON 'NEW' GUERRILLA GROUP APPEARANCE

PA230435 Paris AFP in Spanish 2119 GMT 22 Jan 86

[Excerpts] Quito, 22 Jan (AFP) -- A new Ecuadoran subversive movement, Free Homeland Montoneras (MPL), emerged this morning in Quito with a spectacular armed action after which it distributed a communique calling "for consolidation of an opposition front that will halt authoritarianism." The communique's letterhead shows a rifle and a machete over the inscription "armed people to power," and states that "in the path of Bolivar, Alfaro, and Che...we will triumph." The MPL has accused President Leon Febres Cordero's government of alleged acts of repression, torture, and murders, of giving the country's wealth to imperialism, and of infringing on democratic rights.

The communique coincided with another communique issued today to the press by the Alfaro Lives group which also strongly attacked the authorities.

"We have occupied the top of the freedom monument to tell the Ecuadoran people that we will not falter until we have won freedom, justice, and democracy for our homeland," the MPL added. They said that the "dictatorial and antipopular policy" of the government "shows us that the oligarchs are not amenable to reason, and this calls on us to continue developing the rebellious tradition of the Ecuadoran people."

After stressing that Ecuadoran independence was turned into "a dependency, strangled first by the British Empire and later by North American imperialism," the MPL added that "we have recovered the rifles that were used by the people's Montoneras during the struggles for our independence, because these weapons must be picked up by the hands of the workers." The MPL said that the white on its flag represents "peace, freedom, and the justice we swear to achieve; the red, the force that encourages us, the blood of all the patriots who have given their lives for these goals, and the firm belief that only struggle will make us free." The group also urged the democratic and revolutionary political forces, Alfaro Lives, and the political-military groups to "form the biggest democratic and popular unity" to "consolidate an opposition front that will halt authoritarianism." Likewise, the communique issued by the Alfaro Lives organization, which emerged 3 years ago when the bust and sword of General Eloy Alfaro, leader of a liberal revolution against the conservatives at the beginning of this century, was stolen, also launched a harsh attack on Febres Cordero's government.

The communique is signed by Arturo Jarrin, leader of Alfaro Lives. The government has offered a 5 million sucres ($51,813) reward for his arrest and an equal amount for the arrest of other subversive leaders.

The group has said that it does not plan to assassinate President Febres Cordero because it is aware of the fact that the problems of the country "cannot be resolved with assassinations." Alfaro Lives criticized the president's trip to the United States and said that the aid achieved is not for Ecuador, but for companies owned by government officials. Alfaro Lives added that it has never had ties with drug trafficking. It condemned the traffic of drugs, and accused government officials of being involved in this. The group also blamed them for terrorism and said that it will present proof of this.

"Being foolish will only make your historic defeat sadder. Slander us, defame us, insult us, show our tortured faces, continue putting a price on our heads, continue killing; doing this you will achieve nothing," the group, which has described itself "as a historic need," concluded.

OPPOSITION LEADER SPEAKS ON DIALOGUE, DEMOCRACY

PY232223 Paris AFP in Spanish 0259 GMT 23 Jan 86

[Text] Asuncion, 22 Jan (AFP) -- Opposition leader Edgar Jimenez today warned that if the regime of President Alfredo Stroessner refuses to hold a dialogue with the opposition, within the framework of the mediation of the Catholic Church, it will show that it is a dictatorial government that does not admit the possibility of a peaceful democratic transition after 31 years in power.

Jimenez, a member of the Colorado Popular Movement (Mopoco, a dissident faction of the ruling party), added in a statement to AFP that the government refuses to admit that the U.S. policy toward Paraguay changed after President Ronald Reagan said that he is disappointed because Paraguay is not heading toward a democracy.

Jimenez said that prior to the holding of general elections, the National Accord demands that the ruling party comply with a 14-point program aimed at helping Paraguay achieve a democratic transition.

The points include lifting the state of siege, a general amnesty for political prisoners and exiles, the repeal of those laws that restrict individual freedom, freedom of the press, freedom to hold political party gatherings, and guaranteed freedom to establish political parties, among others.

Jimenez also noted that a national constituent convention will be required to amend the Constitution, which was drafted in 1967 under the state of siege, and a silent press.

The Mopoco leader said that the National Accord has been strengthened by talks with the U.S. ambassador in Asuncion, Clyde Taylor, and with Democratic Senator Edward Kennedy in his recent Latin American tour.

Jimenez noted that the change in U.S. policy toward Paraguay is a pleasant reality that the regime refuses to admit.

He added that President Reagan himself has admitted twice that both Chile and Paraguay are governed by military governments that have promised to return to democracy but that they have not fulfilled their promise. The U.S. President noted at the time that he was disappointed by this.

Jimenez said that during his meeting with members of the National Accord in Buenos Aires, Senator Kennedy noted that his country wishes to repair the damage done by its long-standing support for totalitarian regimes in South America.

CHURCH COUNCIL AGREES TO PARTICIPATE IN DIALOGUE

PY240111 Asuncion ULTIMA HORA in Spanish 23 Jan 86 p 11

[Text] In a communique issued today, the Paraguayan Episcopal Conference [CEP] agreed to participate in a national dialogue.

The communique states that "the church wishes to support all initiatives facilitating national unity and the participation of all the citizens in order to achieve the common good.

"The initiative of holding a dialogue among the different sectors deserves the support of the church because the search for common viewpoints and the establishment of common courses of action may lead to greater harmony among all members of the national community."

"Consistent with these principles, the CEP assumes responsibility for implementing the planned national dialogue with absolutely clear intentions and the awareness of its own evangelizing mission, which cannot be discarded. It is indispensable that all men of goodwill, to whom we fervently appeal, cooperate and participate so that this enterprise can produce good results. It is necessary that the atmosphere not be clouded with accusations and aggravations, which lead us nowhere. On the contrary, mutual respect with initiatives to reconcile the people, taking into consideration people's needs can greatly contribute to creating better conditions for a great national agreement," the communique adds.

The communique states that "to formally begin the task of holding a dialogue, the Permanent Council has decided to form a group of bishops comprising Monsignor Felipe Santiago Bentiez, bishop of Villarrica del Espiritu Santo and president of the CEP commission on doctrinal matters; Monsignor Oscar Paez Garcete, bishop of San Pedro Apostol and the person in charge of social pastoral activities; and Monsignor Jorge Livieres Banks, Asuncion deputy bishop and CEP secretary general. Msgr Livieres Banks will be responsible for reporting to the mass media. In addition, the Permanent Council Council has decided that the group of bishops will have the cooperation of priests and laymen capable of advising it to ensure better implementation of the tasks."

In conclusion, the communique states that "a task like this involves quiet reflection and the careful drawing up of principles and bases making the initiative feasible..." "At this stage of preparation and study, of confident prayer and prudent effort, the CEP Permanent Council reasserts its desire to cooperate in order to fully achieve the main objective of the organic church program...."

BRIEFS

PHILIPPINE CONSULATE OPENS -- The Philippine Government has opened a consulate in Asuncion that will handle diplomatic affairs between the two countries. Carlos Martini Oddone has been appointed Philippine honorary consul in Paraguay. [Summary] [Asuncion EL DIARIO in Spanish 18 Jan 86 p 14 PY]

WAGE INCREASE AUTHORIZED -- Yesterday the National Economic Coordination Council increased the minimum wage by 15 percent. As a consequence, the minimum salary has risen from 52,215 guaranies to 60,047 guaranies. [Summary] [Asuncion EL DIARIO in Spanish 18 Jan 86 p 9 PY]

GARCIA INVITED TO MANAGUA POLITICAL MEETING

PY221311 Lima Radio del Pacifico in Spanish 1200 GMT 22 Jan 86

[Text] President Alan Garcia yesterday received an invitation that was extended by the Nicaraguan Government to APRA [American Popular Revolutionary Alliance] through which he is invited to attend the Latin American political parties' meeting to be held in Managua from 10 to 12 February.

Garcia, who has been invited in his capacity as APRA president, was given the invitation by Carlos Lopez Cano and Xavier Cano, members of the APRA international relations bureau.

PEACE COMMISSION MEMBERS TENDER RESIGNATION

PY231803 Lima Panamericana Television Network in Spanish 0200 GMT 23 Jan 86

[Excerpt] The five peace commission members, appointed by the government to draft a policy of pacification and defense of human rights within the framework of the problem of subversive terrorism, have tendered their resignation to President Alan Garcia. In a long letter addressed to the president, the members of the commission complained of political interference that obstructed their work for the 4 months that the commission has been operating. Bishop Augusto Beuzeville, jurist Diego Garcia Sayan, physician Fernando Cabieses, psychiatrist Cesar Rodriguez Rabanal and scientist Alberto Giesecke are the commission members who signed the letter submitted to the president.

LIMA'S MAYOR DISCUSSES POLITICAL SCENE

PY230252 Lima CARETAS in Spanish 13 Jan 86 pp 26-31

[Interview with Lima Mayor Alfonso Barrantes by CARETAS reporter Alberto Bonilla in Lima; date not given]

[Excerpts] [Bonilla] What have these 2 years of municipal government signified for the United Left [IU]?

[Barrantes] They have taught us that the exercise of government must be realistic, which means that the responsibility must be faced with a great deal of humility, realizing that support must be sought from other political sectors which, without relinquishing their natural aspirations, share the common interest to serve the community. Very important human ties have been established in these 2 years, not only among members of the IU but with the leaders of other political groups. They have also given us the opportunity to stamp out the widespread notion that the left has totalitarian inclinations. Despite the fact that we hold the majority, we have always sought agreements by consensus.

[Bonilla] When will the IU permanent crisis be resolved?

[Barrantes] When it stops growing. The current crisis is a crisis of growing up, like acne on the face of an adolescent. There are some contradictions among some leaders, but the desire for unity and for serving our cause prevails. Now, if in this process someone disagrees very strongly, we will allow him to go. Nobody stays in the IU against his will.

[Bonilla] Does that mean that there can be division?

[Barrantes] If there are very serious disagreements, the problem must be solved drastically. It is sometimes necessary to prune some branches to let the tree grow strong, but the left will not go the way of the United Mariateguist Party [PUM]. The IU leaders are not children and they are aware that the position we have gained as the country's second political force imposes the obligation to the thoughtful, realistic, and mature. This is the responsibility we have to the country, beyond our understandable personal and partisan ambitions. We stand for the consolidation of the constitutional process in the country.

[Bonilla] Do you believe that the IU has matured sufficiently to be an alternative in 1990?

[Barrantes] Sometimes one is forced to mature. Throughout its existence, the left in general (I am speaking of the IU and the American Popular Revolutionary Alliance [APRA]) has shown the capacity to be in the opposition but both of us are just beginning to learn that the task of governing is difficult. Only those who have not had the responsibility of government on their shoulders can continue acting as irresponsible youngsters. This is why I criticize the government on the basis that it is difficult to govern this country and that we need to develop a deep civic-mindedness so that all of us are committed to achieving the same objective.

[Bonilla] If you do not seek reelection and the Popular Christian Party [PPC] wins, don't you think that the PPC will have an advantage in 1990?

[Barrantes] The victory of the PPC will naturally imply the recovery of a sector that experienced harsh blows in the recent election. That does not mean, however, that I will cease to believe in pluralism as the best guarantee that we have for the advance of democracy in our country.

[Bonilla] Why are you traveling abroad in the near future?

[Barrantes] I have some kidney stones again, that is why I need to leave Lima. But I am not going to Germany this time. This time I am going somewhere nearby.

[Bonilla] To Cuba?

[Barrantes] Yes, the famous equipment I discovered in Germany is now available in Cuba, which shows that the level of development that Cuba is experiencing in the health sector is one of the best in the world.

[Bonilla] Are you experiencing any discomfort?

[Barrantes] Not much, I am bothered more by the other stones I received from abroad. I believe I will be absent for about 8 days because I also suffer from hyperacidity, which is natural because of the municipal and political problems I have to confront and the criticism I am subjected to from abroad.

TRADE MISSION TO TOUR SEVERAL ARAB COUNTRIES

PY221648 Paris AFP in Spanish 1500 GMT 21 Jan 86

[Text] Lima, 21 Jan (AFP) -- Senator Miguel Angel Mufarech today announced in Lima that Peru will try to enter the Arab market this year in order to sell $1 billion worth of mining, agricultural, fishing, and textile products.

In the long term, Peru wants to compete with Brazil and become one of the main Arab trading partners in Latin America, the politician said.

Mufarech added that the negotiations will be held by a trade and diplomatic mission that will visit Morocco, Algeria, Jordan, Iraq, Syria, Tunisia, the United Arab Emirates, Saudi Arabia, Kuwait, and two or three other Middle East nations from 16 April to 17 May. Mufarech, who is of Arab descent, said that the Peruvian mission will be one of the largest and most important ones in recent years. It will include more than 100 exporters and be headed by Prime Minister and Finance Minister Luis Alva Castro, Industry Minister Manuel Romero Caro, Foreign Minister Allan Wagner Tizon, Energy and Mines Minister Wilfredo Huayta Nunez, and Fisheries Minister Jose Palomino Roedel.

A senator for the United Left, the second political force in the country, Mufarech made the announcement after briefing social democratic President Alan Garcia on his 2-month tour of the Arab world to explore the possibility of Peruvian trade and diplomatic expansion in that region.

EDITORIAL ON AIRLINE PROBLEM WITH U.S.

PY230140 Lima EXPRESO in Spanish 12 Jan 86 p 24

[Editorial: "Air Policy"]

[Text] The government has recently renewed the air operation permit of Cubana Airlines. This enables Cubana to continue operating commercially on the Lima-Havana-Madrid-Prague and return route with all the rights granted by the "third, fourth, and fifth" air freedoms.

The truth is that the purpose of this editorial is not to analyze the purported advantages of a decision that has granted the Caribbean airline commericial operation of a route that has little value as far as bringing tourists to Peru, even though this decision may have strategic and political connotations. The point is rather to address the thoughts that are bound to be prompted by this event: Why is a similar effort of imagination and goodwill not made to end the commercial air conflict with the United State, which has been costing our country so much?

The Cuban airline for example, has obtained the renewal of its operation permit with the condition that a compensatory agreement be signed with AeroPeru within 90 days. In other words, it was not considered necessary to suspend the operations of Cubana Airlines, although there is no agreement to safeguard the interests of our state-owned airline.

We believe that such an agreement will be made not so that AeroPeru can fly a route of such limited commercial importance, but so that certain fees will be paid and services performed by the Cuban airline; and, naturally, there is no need to suspend air traffic on this route while agreement is being reached.

However, amid the complex negotiations with the United States, no one has considered the possibility of signing a temporary accord permitting the reestablishment of air traffic with Peru, the suspension of which continues to hinder our commercial and touristic activities, while the path for reaching a final agreement, which meets the interests of both parts, is being prepared with patience and goodwill.

Let us hope that very soon, as has been announced by Minister Manuel Romero, the disagreement with the United States will be overcome, thus eliminating an inconvenient point of friction, allowing that reopening of the channels that bring us tourists, and reestablishing our exports to the world's most interesting market.

FINANCE MINISTER ANNOUNCES DEBT REFINANCING

PA230242 Caracas Television Service in Spanish 1600 GMT 22 Jan 86

[Text] At the end of a meeting at the Miraflores Palace, Venezuelan Finance Minister Manuel Azpurua reported that the Cabinet has just approved the refinancing of the Venezuelan public foreign debt. The contracts with the creditor banks will be signed in a few days.

In addition, the Cabinet has just authorized the convocation of a shareholders' meeting at Pedevesa [Petroleos de Venezuela, S.A.] in order to approve the three oil internationalization agreements. During a press conference at the Miraflores Palace, which is being held at this very moment, Energy and Mines Minister Arturo Hernandez Grisanti gave details of the terms of the contracts. He also announced that Venezuela has purchased 50 percent of the shares of two Veba Oil [not further identified] refineries, one of which is located in Bavaria and the other in Karlsruhe, in southern Germany.

Due to difficulties in the oil market -- which have been aggravated in 1986 -- the Venezuelan oil industry has been forced to seek better ways to maintain adequate export levels that can guarantee the placement and sale of hydrocarbons in traditional oil markets. Internationalization -- also described as a vertical integration system because it determines direct sales in consumption markets -- makes it possible to selectively eliminate the distribution channels of multinational or independent corporations that connect the exporting countries and final consumers.

The internationalization policy has been conceived as the final stage in the markets' diversification process. In addition, this policy reasserts Venezuela's control over the final destination of its hydrocarbons. Venezuela also acquires the right -- independently or in association with foreign public or private organizations -- to use industrial facilities to refine, transport, store, and market oil in its own territory, thus controlling all stages of the business.

The internationalization of the oil industry also guarantees fiscal and exchange revenues, opens new possibilities for the analysis which Pedevesa and its affiliated enterprises have been carrying out, and fosters participation in technology research and development by those partners whose oil-related activities have proved very important.

Now, considering the reasons presented here and for the peace of mind of those who are still unsatisfied with the measure, the national government has presented a bill to the national congress to partially amend the organic law, which reserves the industrialization and commercialization of hydrocarbons to the state through a new article, No 6, which generally includes the supervision of the activities that the main office may carry out with public or private organizations. For this, the authorization of the president during a Cabinet meeting will be necessary.

This is the way in which Pedevesa, well aware of the national government's authority to govern the industry, has signed the first four oil internationalization contracts with U.S. and European corporations, also ensuring the placing of 240,000 barrels per day in the oil market.

MINISTER BLAMES OPEC FOR OIL PRICE 'FIASCO'

PA231754 Hamburg DPA in Spanish 2159 GMT 22 Jan 86

[Text] Mexico City, 22 Jan (DPA) -- Mexican Secretary of Energy and Mines Francisco Labastida Ochoa today blamed OPEC and the industrialized nations for the crude oil price fiasco in the international market. OPEC members and the industrialized nations have provoked the "current disorder," the official said, denying Mexico's responsibility in the market's saturation and the price drop.

Mexico, which exports an average of 1.4 million barrels daily, is not an OPEC member; nevertheless, it coordinated actions in the past to sustain prices in the international market.

Labastida Ochoa said it is necessary to control the crude's excessive demand in order to reach a "new understanding" on price issues. "We are waiting for specific proposals in which those to blame for the disorder may assume their responsibility to correct them," the official noted.

Mexico reduced the barrel price of its export crude in December. Government sources have predicted a new reduction for the current month of January.

Labastida Ochoa declared that the current drop on the international market will have a retroactive effect on the tariffs for Mexican hydrocarbons. He specifically said that the extent of such effects must be examined during the present month.

The price drop was not a surprise because OPEC had already decided to defend its participation in the market, not the prices, the official said. That explains the excessive demand for production and the successive price decreases, he pointed out.

It is necessary, he added, to control and eliminate excessive demand, which was not provoked by Mexico, in order to reach an understanding on price issues. "The risks of excessive demand," he continued, "which we have tried to stop for the past 3 years, are now becoming evident."

Meanwhile, Mexican Under Secretary for Foreign Trade Luis Bravo Aguilera predicted that the price decrease will determine a reduction in Mexico's foreign exchange revenues from $2 billion to $3 billion annually.

OFFICIAL SAYS BAKER PLAN 'FAVORABLE' BUT INCOMPLETE

FL151740 Mexico City NOTIMEX in Spanish 2200 GMT 14 Jan 86

[Excerpts] New York, 14 Jan (NOTIMEX) -- Foreign Credit Director Jose Angel Gurria, of Mexico's Finance Secretariat, has said the Baker Plan is a favorable solution but leaves many questions. It appears to be unable to meet the double objective of payment and growth as well as the conditions to obtain these resources. Angel Gurria added that Mexico's adherence with this plan depends on its not interfering with its intention to obtain $4 billion which, as new debt, Mexico has requested for 1986.

The foreign credit director was in New York for a high-level meeting on Latin American growth, adjustment, and debt, which was attended by finance ministers, international economic institutions, bankers, consultants, U.S. congressmen, academicians, and investors.

Angel Gurria said the recent Montevideo meeting was not a response to the Baker Plan but a diagnosis of the situation that proposes a series of measures at tolerable, short, and long terms so that debtors can renew a more adequate political growth.

When questioned if Mexico intends to adhere to the Baker Plan, Angel Gurria said Mexico had stated its 1986 financial needs before this plan emerged. He said: Before and after this plan, this has been Mexico's strategy. If the way the Baker Plan is proposed does not coincide with the plan to obtain those $4 billion, then it would be a problem.

He said U.S. authorities have demonstrated their willingness to support Mexico after studying Mexico's 1986 budget very carefully. This once again confirms the Mexican Government's political will to carry out its adjustment efforts, struggle against inflation, and deficit reduction to develop a basis for healthy and sustained development after public finance adjustments.

At the conclusion of the meeting, Gurria flew to Washington where he will finalize details for a new Inter-American Development Bank loan.

BRIEFS

COCAINE FOUND AT AIRPORT -- Federal Judicial Police found 24 kg of cocaine abandoned in a suitcase at Mexico City International Airport. The suitcase arrived in Aeromexico Flight 480. Apparently, the owner left the drug when he realized security personnel were carefully searching the baggage. The cocaine has an estimated value of over 2 billion pesos on the black market. [Summary] [Mexico City XHDF Television Network in Spanish 1955 GMT 22 Jan 86 PA]

DRUGS CONFISCATED -- Mexico City, 13 Jan (DPA) -- Defense Secretary General Juan Arevalo reported today that the Mexican Army confiscated 31 tons of marijuana and 711 kg of opium paste and arrested 664 suspected drug traffickers in the past 70 days. The official said that these were the results of the "Condor Plan" that the Army is carrying out with other institutions to combat drug trafficking. He also said that in the same period the Army destroyed 808 hectares of poppy and 812 of marijuana. [Summary] [Hamburg DPA in Spanish 0005 GMT 14 Jan 86 PA]

NEW AMBASSADORS -- Three new ambassadors presented their credentials to President Miguel de la Madrid yesterday. They are Maximo Gurmendez Guillemette of Uruguay, Slavko Sukovic of Yugoslavia, and Falilou Kane of Senegal who will reside in Washington. [Summary] [Mexico City UNOMASUNO in Spanish 18 Jan 86 p 6 PA]

ALLEGED FUND DIVERSION TO GUATEMALA TERMED 'RUMOR'

PA220435 Panama City MATUTINO in Spanish 21 Jan 86 p 4 a

["Popular Compass" column by Adolfo Benedetti: "Panama and Guatemala"]

[Text] The local and foreign professional rumormongers have added something new to the misinformation with which they intend to implement the campaign of economic terrorism that has been unleashed against our country. A timely denial by President Eric Arturo Delvalle stopped the newfangled rumor because it was not based on reality. It is not true that funds previously earmarked to Panama have been diverted to Guatemala.

Nothing could have justified a measure of this type as it is not in line with the U.S. Administration's patterns of behavior concerning the distribution of loans or donations to countries in this area. This was not a question of Uncle Sam happily playing with money, but of bilateral agreements signed by two members of the hemispheric community.

Moreover, if we objectively look at the political, economic, and social conditions there, with all due fraternal respect we feel for the Guatemalan people and government, we can proudly state that while Guatemala is barely beginning to return to constitutional democracy with a popularly elected president, our country has been treading this path for a long time with all options characterizing a process of transformations.

While Guatemala is undertaking the task of restoring its civilian institutions and human rights, such institutions and rights have been fully operational and absolutely in effect in Panama for years, a fact which has been proclaimed to the point of exhaustion by international organizations specializing in this field and most particularly in the freedom of the press. Socially speaking, the gains of which our country is proud are still developing in the country of the quetzal as evidenced by the huge number of underprivileged people, from which unretrievable outcast [irredenta] guerrillas have sprung up.

Every nation on this continent steers its democratization process through the paths that are best suited to the national character of its people. For this reason, it would not be wise to reach hasty conclusions and overrate one people to the detriment of the other.

EDITORIAL URGES REMOVAL OF MILITARY HIGH COMMAND

PA222217 Panama City EXTRA in Spanish 22 Jan 86 pp 1, 6

[Editorial: "The Country Does Not Function Under the High Command"]

[Text] The progressive deterioration of the country is evident. It is suffocating. Each day another step backward is taken. The future is becoming complicated and nebulous. We are approaching a true inferno. Panamanians in unison must repair the terrible damage caused to the fatherland by the arbitrariness, mistakes, and administrative corruption of the military high command. In short, the country does not function under the military high command. There is no salvation under the military high command.

There is no room in this editorial note for listing the reasons why it is essential, and unpostponable, to end the governmental regime ruled by the military high command. The very deep crisis, the instability and uncertainty over Panama's future demand this immediately.

All productive and service activities in the country will become entirely paralyzed until the military high command relinquishes power, and an authentically democratic government is returned to the citizenry.

On the path to the Second Republic, and the establishment of a representative and patriotic government, the collaboration and cooperation of the young officers of our armed institution will be required. That is the wish of all Panamanian men, women, children, workers, peasants, and businessmen. With the withdrawal of the military high command, first, carnival will be celebrated in the streets of Panama, and then everyone, absolutely everyone, shoulder to shoulder, will begin the reconstruction of our ruined fatherland.

ARIAS MADRID DESCRIBES NORIEGA AS 'SAVAGE'

PA200218 Panama City LA PRENSA in Spanish 19 Jan 86 p 1

[By Lisette Carrasco]

[Text] Upon his return to the capital city after a week abroad, three-time Panamanian President Arnulfo Arias Madrid commented on the "economic terrorism" denounced by General Manuel Antonio Noriega. Arias said that 'We have been experiencing terrorism for the past 16 years," and that the National Defense Forces are only prepared "to cut off people's heads."

In the beginning, the leader of the Authentic Panamenist Party refused to make any comments for LA PRENSA stating that "I have nothing to say... Miss, you are wasting your time and mine..I have no comments." Former President Arias Madrid returned to the country accompanied by his wife Mareya Moscoso de Arias. They were met by Antonio Arias, legislator for the Authentic Panamenist Party.

Due to the insistence of LA PRENSA reporters, the charismatic leader of the opposition agreed to make some statements for this newspaper. In analyzing the Republic of Panama's current situation, and in referring to the economic, social, political, and military problems which have worsened in these past 2 years, Arias said that "it is terrible and savage."

Despite the fact that Arias does not consider the chief of the National Defense Forces a "political enemy," he described Gen Noriega's political position as "very bad."

When asked whether the National Defense Forces' middle command was capable of carrying out a military coup against Gen Noriega, Arnulfo Arias Madrid said that "it is obvious," and recalled the recent changes made within the corps.

When asked how long he thought President Arturo Delvalle would remain in office, he smiled and said, "Ask God."

Former President Arias Madrid denied any contact with the chief of the National Defense Forces regarding rumors on "the formation of a provisional government junta," that would allegedly be formed by all the sectors that make up the Panamanian society because of the general crisis that has paralyzed President Delvalle's government.

Arias said that he has never given any thought to a dialogue with Gen Noriega whom he considers a "savage." When we insisted that he expand on his remarks on the current chief of the Defense Forces, he shook his left hand and said, "I have nothing to say."

As far as Arnulfo Arias Madrid is concerned, the National Defense Forces "are not prepared to govern; they are simply policemen."

When Dr. Arias Madrid was reminded that for the past 16 years the members of the National Defense Forces have made an effort to professionalize and train themselves, he asked "train themselves in what...?...cutting off people's heads."

Arias Madrid hinted that if the National Defense Forces withdraw from politics he would be willing to form a government junta.

He said that the Panamanian people have the solution to "get those savages" out of power. When asked what this solution was he said, "What would your solution be?"

He was told that his answer had been evasive and asked why he was not being specific. Dr. Arias Madrid said "Let's leave it at that..the people know the solution."

It had been rumored that Dr. Arias Madrid's visit to the United States was to meet with high-ranking Reagan administration officials to search for mechanisms for "a true democratization of the country."

Dr. Arias Madrid's trip coincided with the charge made by Gen Noriega regarding alleged "economic terrorism" planned by known opposition personalities who seek according to the militarymen to weaken the government and the National Defense Forces.

NORIEGA AGAIN SHOWS 'SCORN' FOR DEMOCRACY

PA191702 Panama City LA PRENSA in Spanish 18 Jan 86 p 1 A

["As of Today" column]

[Text] The chief of the Panamanian Defense Forces has again shown his scorn for the Panamanians' desire for democracy. Commenting about the removal of Nicolas Ardito Barletta on a U.S. television program, he justified the military men's intervention in the country's institutional life by claiming for the umpteenth time an alleged loss of trust of the legislators in the president, just as it happens in parliamentary systems. Truly, more than ignoring the Panamanian constitutional system -- which, because it is headed by a president, excludes the trust of the parliamentarians to justify a power originated in the people -- Noriega's statements again express this "national security" doctrine, so dear to Latin American military men and so nefarious for the democratic processes of our peoples. This doctrine, which has been born from the new function assumed by the Latin American armies in the defense of the hemisphere, has in fact become a concept of the state that submits the entire society to the control of the barracks. It has systematically denied the fundamental rights and organized repression apparatuses that govern themselves and the public power. The Panamanian people have been suffering and combatting all these outrages since 1968, and Noriega's attempts to sell abroad the false image of an Army respectful of democratic institutions is crumbling, as it is not consistent.

COSTA RICA

MONGE: SANDINISTS BLAMING CIVIL WAR ON NEIGHBORS

PA240208 Panama City ACAN in Spanish 2215 GMT 23 Jan 86

[Excerpts] San Jose, 23 Jan (ACAN-EFE) -- President Luis Alberto Monge said today that the Sandinist government does not want to admit that it is facing a domestic war, but is instead trying to make it appear to the world that its domestic war is originating from abroad.

Monge made the assertion in response to a charge presented by the Nicaraguan Government at the OAS yesterday that Costa Rica is violating the Guatemala statement by allowing anti-Sandinist groups to operate from Costa Rican territory. The Nicaraguan Government's note specifically mentions an attack against two Soviet-made Mi-8 helicopters in Sarapiqui on the border with Costa Rica on 17 January.

Monge said Nicaragua's latest charges are part of "a strategy and plan to harm and discredit Costa Rica." He added: "Most important, the Nicaraguan Government does not want to admit that a war is going on in Nicaragua. This government tries to make others believe that the war is originating from abroad. The Costa Rican president asked the Sandinists "to settle their domestic problems and leave us alone."

EL SALVADOR

DOMESTIC REACTION TO DUARTE AUSTERITY MEASURES

Duarte News Conference

PA231528 San Salvador Radio Cadena YSU in Spanish 1637 GMT 22 Jan 86

[News conference given by President Jose Napoleon Duarte on 22 January; place not given -- broadcast in progress]

[Excerpts] [Duarte] ... the conceptual part of [words indistinct] because it is important to have on record the thinking of the president, the economic team, and the government.

As they are aware of their responsibility, the president of the Republic and of the Salvadoran Monetary Board have carefully and exhaustively reviewed and analyzed for a long time the circumstances the country is experiencing. These analyses and deliberations by the Cabinet have led to adoption of the momentous decision to unify our currency's rate of exchange. They feel that it is indispensable to adopt this decision because a myth has been created around the monetary parity, and the development of our economy has thus been unreasonably and fruitlessly disrupted.

Upon assuming this decision with regard to our country's policies, we have taken into account the political, economic, financial, social, and ideological aspects of our country's crisis and pondered the seriousness of [word indistinct] historical considerations.

The rate of exchange of $0.40 to 1 Salvadoran colon dates back to the creation of the Salvadoran Central Reserve Bank. This rate of exchange, which was established over 50 years ago in accordance with economic conditions prevailing in 1934, is no longer adequate or relevant to the current status of our economy. In addition, the weakness of this exchange rate has been evident for many years.

In late 1960, the country experienced a serious setback in the external sector. This led to enactment of the law on control of international remittances in April 1961, a law that was used as the basis for the system of exchange control currently in effect.

Between 1961 and 1985 -- that is, during the last 25 years -- transactions of goods and services have reflected a positive balance only during [words indistinct]. In addition to this, it must be noted that the instability of coffee, cotton, and sugar prices has worsened the [word indistinct] external sector because the exports of these products represent two-thirds of our total exports. In this sense, the price fluctuations on the international market, especially of the price of coffee, have caused serious distortions in all areas of our national economy, which conditions have become more acute because of the crisis in [words indistinct] international monetary system.

In times of crisis in the external sector, the policy that has been historically pursued has been to correct exchange controls in order to reduce foreign expenditures and obtain foreign loans to increase the supply of foreign exchange.

Since (?1960), these factors have had an influence on the imbalances of the Salvadoran economy's external sector. Here I am going to skip part of the technical analysis of the external sector. I say this because I am prepared to talk with you as long as necessary in order to explain to you, one-by-one, the measures that have been adopted. Therefore, if you are sufficiently patient, I am quite willing to work 4, 5, or 6 hours here with you to give you the necessary information.

You are now familiar with the entire process of speculation that has been generated by the media, which has sown terror among the people. Fear has been sown among the people. This has been so serious that not only the government but the entire economy could have crumbled because of the unjust speculation that developed in the country.

You know that this government has an economic program, a social program, a political program, a military program, and an international program. Therefore, I place myself and this economic team at your disposal for whatever questions you may want to raise in connection with our country's economic problem. Of course, you will realize that during this news conference we will talk only about the economic problems and not discuss other problems, although I imagine the international press would be interested in discussing other issues, such as the news published in the newspapers, which news has been distorted, concerning the meeting in Guatemala when Ortega and I talked.

Furthermore, a certain newspaper published on its front page [words indistinct] things that are not true. Therefore, we can wait to discuss political and social issues until the next interview. I think we will be discussing economic topics deeply enough at this interview.

This government is governing. This government is making decisions. This government needs the support of the Salvadoran people. This government asserts that these reforms are valid. We are struggling against speculation; we are struggling against corruption; we are struggling against all evils harming us; and we are struggling against the black market.

We want all Salvadorans to help us in our efforts to eradicate all of these evils and to maintain a single exchange rate. For this reason, I will be drastic and tough with those wishing to destroy this [word indistinct]. I will take drastic and harsh action against those who try to change the established prices. I will be drastic and tough with those who unjustly seek to speculate with [word indistinct]. I will be drastic and tough with the wrongdoers.

I will be drastic and tough with speculators.

We will legally define crimes in relation to foreign exchange, speculation crimes, and other crimes in this economic war which I regard as a war of the people. As I said last night, this is not a program of Napoleon Duarte. This program does not belong exclusively to the government. This is a national program, a program of the Salvadoran people to straighten out their economy and thus achieve a solution to the economic problems.

[Unidentified moderator] The (?first) president of the Central Reserve Bank has also joined the conference. We will begin putting the questions to the economic team in the order in which each newsman has reported his or her desire to participate in the conference.

The first person raising a question is Antonio Fuentes Ibarra of Radio Ibarra Cadena Libertad. We ask you to wait until I give you the microphone so we can hear your questions well.

[Fuentes Ibarra] Mr President, Antonio Fuentes Ibarra salutes you. I have two questions, Mr President:

You have just said that you met with all of the country's sectors to review or study the program for economic revitalization. However, spokesmen for a political party said yesterday at the Legislative Assembly that they were not invited -- that is, that the political parties were not invited to take part in the study of the program for economic revitalization. My first specific question is: Why were the political sectors not invited?

[Duarte] I will answer and then [words indistinct]. The political party that said this made a false statement. Specifically, I invited ARENA in September. We held a 3-hour meeting here at the Blue Room during which I briefed them on the country's economic situation in detail. (?As a matter of fact), the first group that received this information in this country was ARENA, which, as a matter of fact, sent an excuse. I called them and told them I would be very glad...[Duarte changes thought] This was back in September [words indistinct]

Then, at the request of the Armed Forces, [words indistinct] concern about the need for national unity, I invited the entire Armed Forces general staff, the entire Armed Forces high command, and all ministers of all (?sectors) (?to a meeting at this place). We invited all representatives of the social sectors. They were here and there are at least 100 witnesses to this. All private enterprise sectors were here. The presidents of all private institutions were here. All political parties were also invited. For instance, the representative of the PCN [National Conciliation Party] was here. Representatives of PAISA [Salvadoran Authentic Institutional Party], and the Democratic Action Party were here. They were also invited to this second meeting. During this meeting I invited them to sit down and form a working committee to address this phenomenon.

Finally, since they did not come, I also invited them yesterday before releasing the official information. So, representatives of Free Fatherland [Patria Libre], AD, PAISA, [words indistinct] were here. Other parties were here but not ARENA.

[Fuentes Ibarra] They would be now that the devaluation of the currency is a reality. We cannot help but recall all the attacks levied against the policy of gradual devaluation of the colon. Do you now feel that that policy was a success?

[Duarte] As a matter of fact, I believe that I have reached this moment thanks to this policy. Look, unfortunately the newspaper EL DIARIO DE HOY, ARENA [National Republican Alliance], and the political parties opposed the policy of gradual transfer [deslizamiento] to the parallel market. Had they accepted the measures I proposed back in June, when I proposed that I be allowed to begin gradually transferring oil and coffee to the parallel market, today I would not be forced to do the things that I am obliged to do. No one would have felt the impact. Therefore, we have been slowly and gradually moving along. The process of transferring has worked very well. We transferred 60 percent of all products to the parallel market, and for this reason, businessmen should not increase their prices above their actual costs and the real increases will be approximately 15 percent. I recognize that there will be a cost increase of approximately 15 percent, because that is what we discussed and planned. The transferring premise has worked because we are now able to tell the country that the 13,000 products transferred to the parallel market should not increase in price.

Unfortunately, there were some products [changes thought], in fact, the ARENA did not let me transfer oil to the parallel market. They should have let me transfer it, as I did way back when I proposed that 16 percent of oil be transferred to the parallel market, later another 16 percent, and then another 16 percent, because today oil would be totally on the parallel market, and we would not have to spend up to 750 million colones, exchanged in dollars, to purchase oil from abroad. Let us remember something else. Let us remember that last year there was a year-round campaign to do away with the gasohol project. Gasohol is now giving sugarcane producers security in their prices, and it is being exported at a price of $1.40 per liter -- rather, per gallon -- meaning that sugarcane producers are assured the price of 50 centavos -- rather 50 colones -- per ton. Otherwise, we would be losing millions of colones and dollars from the country.

This is what happens. They oppose them for the sake of it. They do these things to create problems. You can learn, you can see the process and learn how the process of transferring worked, and how it should have continued working, and it is going to continue working. This is one more step in the process of transferring. We must constantly review these measures every 6 months. I am not God; I can make mistakes and I must correct mistakes. For that reason, then, the process of transferring has been a success.

This decision now is part of the process of monetary reforms in the country that will strengthen the economy. I trust in God -- listen to this -- I trust in God that all Salvadorans may begin to realize that the struggle against corruption, speculation, and the black market is vital. If they continue to purchase on the [words indistinct], I will send in the police to arrest them all and to confiscate the money. If they, and the people, continue changing the value of the dollar, and if it continues at 6, 8, 12, 15, 20 [no currency specified] on the black market, the time will come when the country will lose control over its economy. For that reason we must smash the black market, and the government, the people, the Armed Forces, the country, the labor unions, the peasants, the newsmen, and everyone must help me fight the black market because that is how all of us will be saved; that is how all of us will strengthen our wages.

Salvadorans here, who earn colones and [word indistinct] in colones; foreigners here who earn dollars and get paid in dollars, think of how much harm you are doing to the country by dealing on the black market to exchange those dollars. I invite newsmen living here with us to help me. Go to the bank to exchange your dollars at the official rate. I also invite diplomats to do likewise. I invite all those who pay their house rents in dollars to stop paying in dollars and to pay in colones in order to strengthen the country's economy.

This is my response; streamlining or transferring has been a positive process and will continue to be so because we must reinforce things to reach a point in which the entire economy is balanced. Thank you for the question.

[Moderator] Mr President, the next question will be made by Journalist Eduardo Vasquez Baker of NCA News.

[Vasquez Baker] Good morning Mr President. I have three questions: One, what effects did the coffee situation have on the current economic reform program; second, why wasn't the war tax levied; and finally, how are you going to handle your relations with private enterprise from now on, in order to encourage national production?

[Duarte] Thank you for the three questions, as they are all important. First of all, the difference in the price of coffee had a very important effect, because at the time I made this decision -- in September or October of last year -- the nation's budget and our national economy was based on a price of $130 per quintal. Today there is speculation particularly in the media, that the price will increase to exorbitant levels. I want to warn the Salvadoran people not to expect too much, because right now the price of coffee is dropping again.

At this time, delegates from all over the world are confronting each other in London, and there are two groups clashing with each other. A serious problem has emerged, with what is known as tourist coffee [cafe turistico] or fraudulent coffee, as a result of all the [words indistinct] in the world who are engaged in this kind of business, buying contraband coffee and then selling it to countries at high prices. This is a problem, because if all the exports are released and used without any control, millions of coffee bags that have been floating around in the world will now be able to enter the traditional markets. This would be dangerous, and would result in a drop in prices. Therefore we should not entertain great hopes.

We have been reasonable and have devised a plan with the coffee growers. We have met in order to establish a coffee export plan, in order to set the best possible price, without speculating. We have devised this plan with two commissions, a technical commission and a commission made up of all the coffee growers. As a result of this plan, we have established an export plan in order to maintain an average price, prevent speculation, and avoid risks. Therefore, I can tell you that today the foreign trade minister will announce the opening of the market for the buying and selling of the first coffee, in order to guarantee the minimum price. So, this is what I can tell you regarding the importance of the coffee situation in the process.

Second, if the situation becomes tough, as I once said, obviously we must analyze the situation, as emergency problems are solved with emergency solutions. The additional income from coffee is a circumstantial and emergency income, and therefore we have considered the possibility of using it to compensate some of our expenses.

On the other hand, if there is an emergency, we must resort to an emergency tax. For this reason, we have not implemented the patrimony tax, which is an emergency tax. It will explain this. If El Salvador lost the war, how much would the merchants, industrialists have to pay? The would lose everything. If someone is kidnapped, a 1-million peso ransom is demanded. Can you imagine that? Now, let's figure this out, for example, 100, 500, 1,000 pesos...1,000 pesos a month, multiplied by 12 months is 12,000; in 10 years this is 120,000. However, the kidnappers demand 1 million pesos all at once. Therefore, to pay a tax, to make a contribution in order to defend what is yours, to defend the institutions, to help those who have nothing in order to change their situation for thebetter is support for private enterprise, and is fundamental for the country's economic structures.

This is my concept of an emergency tax, which, of course, will only be implemented in emergency cases. On this occasion, we made a thorough analysis of the situation, and decided not to enter into this process yet, in order to lessen the trauma.

As for your second question, what was it?

[Vasquez Baker] [words indistinct]

[Duarte] On future relations with private enterprise. I think that the relations with private enterprises have gradually improved. For example, they have been asked to participate in the production plan, which is the economic reactivation plan. A commission has been created with the presidents of five institutions, including ANEP [National Association of Private Enterprise] and others, who are my friends. I have invited them as friends, and not as presidents, to take part in a special commission. I have told them that [changes thought] in some occasions they have even taken the information to their associations.

Obviously, there are still those who are reluctant to support the government efforts. However, I believe that little-by-little they are realizing that this is a fair government, a government that is not seeking revenge, a respectful government. As I said before, although I do not buy EL DIARIO DE HOY, and I do not think that many people do, this daily writes and says whatever it wants, and has never been censored. This is part of the democratic process of respect. Private enterprise has attached me, you have read manifests from various organizations; however, there has never been any action taken against them. I think that private enterprise has seen this, and is aware of my efforts to maintain our economy, to help them produce. Last night they must have heard about the great production plans we have, which will mean thousands of millions of colones for private enterprise. We gave private enterprise approximately 3 billion colones in 1984, and this year we are going to give them 5 billion colones so they can produce, export, and make of this country [changes throught] create jobs. In this manner, private enterprise and the government are going to increase the number of jobs in the country. We hope to create approximately 20,000 to 25,000 new jobs. This is my reply to your question.

[Moderator] It is now reporter Efigenio Ibarra of NOTIMEX and IMEVISION's turn.

[Ibarra] Mr President, in all our countries the economic crisis has proved practically invincible despite the reorganization programs implemented. How is it possible that in El Salvador, amidst a war, a program for economic reorganization can work when the conflict is not only claiming lives but resources that are involving thousands of human beings and thousands of colones?

[Duarte] I will answer this question myself because it is a very thorough question. You are wrong in the way you view things. Those countries that did not take any precautions and that received the impact all at once [words indistinct] at the opportune moments, continued with their squandering and their spending thinking that they had oil. They squandered and spent. People did not understand the message. People thought they could have the same salaries and same standard of living indefinitely until the crisis broke out, and it broke out, if you may recall, resoundingly. But I ask you, once this crisis emerged didn't the Mexican Government begin to take measures to start controlling the situation? I imagine that it will continue to take more measures to further control things because a country as big, powerful, industrial, and productive as Mexico has many means and resources to pull out of its economic crisis if the government, and in addition, if the people are willing to accept the changes that need to be made. However, the situation would be grave if in Mexico, for example, the people were to say "we reject the structural changes to the country's economy."

If unionists were to ask for 300 percent and 500 percent salary hikes, they would destroy the country. If industrialists were to speculate and increase prices, if instead of implementing 10 percent increases they were to increase prices 100 percent, they would destroy the country. Thus, the phenomenon of the economy having two great dimensions, the internal and external. We must first correct the internal problems, because only then can we face the external problems. This must be done simultaneously and jointly.

If we take measures and have the guts to rule, then we can change these countries, and if the people are willing to help, we will pull through. This is the message I am giving to the people. This is the challenge the Salvadoran people have. We are taking these measures while we still control the economy, while we can still stop the inflation, and when inflation has not yet controlled us. So now we are taking these measures to cure the sick man. Before he gets gangrene I am going to cut off his hand and repair him before the crisis gets here.

Therefore, I am optimistic. I ask you to take a message to the Mexican people. Tell them to get together to fight inflation, corruption, speculation, and the black market. The Mexican Government and people will pull through with faith and hope. I want the same for El Salvador and the rest of Latin America. Thank you.

Measures Forced by U.S.

PA240029 Buenos Aires REUTER in Spanish 2355 GMT 23 Jan 86

[By Robert Block]

[Text] San Salvador, 23 Jan (REUTER) -- The United States has threatened to suspend its vital military and economic aid to the Salvadoran Government if the latter does not adopt a series of economic austerity measures, it was stated today by official and military sources. The sources said the pressure was exerted through the U.S. Embassy in El Salvador by Ambassador Edwin Corr and USAID.

Embassy officials have refuted the reports and a spokesman of the diplomatic mission accused Jose Napoleon Duarte's government of "attacking the gringos" in an effort to blame them for the unpopular measures announced on Tuesday by Duarte. Duarte devalued the Salvadoran currency, limited imports, and increased fuel prices and public transportation fares in an effort to stabilize the country's economy.

According to government and military sources, the United States had suggested the measures and exerted pressure despite Duarte's objections; he said these measures would affect the low-income majority and might provoke political chaos.

One of Duarte's main advisers told REUTER: "All the pressure was exerted by Corr and USAID." The adviser said Duarte once told Corr that if he enforced the austerity measures suggested by Washington, the political consequences would be so violent that they might lead to a coup. According to the adviser, Corr answered: "You handle the package of economic measures, and I'll watch out for the coup." The adviser, who preferred to remain unidentified, said the U.S. Embassy was also exerting pressure on other sectors of the country, and clearly implied that if the austerity measures were not implemented, U.S. military and economic aid could be suspended.

A top-level military official said: "(The Army's high command) clearly saw what would happen if the government did not comply with this."

He said the military sector supports the economic measures in general, even though they have some objections about certain aspects of the economic package. "The military sector knows how important this aid is," he said. Ronald Reagan's government, the Salvadoran Government's main financial source and provider of weapons, supplies approximately $1 million per day in military and economic assistance, which is vital for the armed struggle against the leftist guerrilla groups.

Chamber of Commerce Statement

PA240124 San Salvador EL DIARIO DE HOY in Spanish 23 Jan 86 p 21

[Statement issued by the Chamber of Commerce and Industries in San Salvador, dated 23 January]

[Text] Given the new economic measures imposed by the government of the Republic, the Salvadoran Chamber of Commerce and Industries hereby states its views on the issue which has provoked so much concern among the Salvadoran people:

1. Many of the new measures will not lead to the much-publicized national economic reactivation or contribute to developing the investments needed so much in the country.

2. Since learning the general guidelines of these measures, the Chamber has defended the view that the government program should not be restrictive. Instead, the program should be aimed at advocating and encouraging private economic activities. It was later pointed out that the program should avail itself of the current increase in coffee prices on international markets. Bearing this in mind, the Chamber presented some suggestions which are not included in the measures adopted by the government.

3. The Chamber reasserts what it previously said concerning the consequences of this government project: The natural and subsequent increase in the price of many staples which are necessary for the Salvadoran people's life and activities will be the result. Prices must necessarily reflect the increase in foreign exchange rates, taxes, bank interest rates, fuel, etc.

4. Since the measures were announced, the country's political, economic, and social sectors have issued statements rejecting them, knowing there are other ways of positively achieving the goal of reactivating and balancing the national economy. Despite all this, the government has adopted a solution whose negative consequences will be experienced by the Salvadoran people.

5. Lastly, the Salvadoran Chamber of Commerce and Industries is fully aware of the need to rescue the national economy from a predictable drop and warns that there is still time to make the necessary changes.

San Salvador, 23 January 1986, Board of Directors

FMLN Comments

PA230426 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Jan 86

[Station commentary]

[Text] The Duartist economic package is a veritable declaration of war against the people.

Just as was expected, Napoleon Duarte has revealed a package of economic measures against the people. Everything had been coldly calculated. First, the ministry of propaganda, which is handled by Rey Prendes, launched a rumor that a gallon of gasoline would cost 14 or 15 colones, that urban bus fares would cost 1 colon, that water and electricity bills would be twice as high, etc. The government conveniently waited for some time so the rumor could spread and provoke alarm among the people, given the sudden and exaggerated increase in the cost of living. Duarte appeared eventually, in his traditional messianic style, saying there is no reason for alarm, that things are not so grave, and then he revealed the list of antipopular measures, which range from an increase in urban fares to official devaluation of the colon.

This trick that Duarte and Christian Democracy has used resembles the tale about the executioner who comes and tells the man sentenced to die: I bring you good news! We are not going to kill you with 10 shots, only with 7 shots! What do you think of that? The executioner thinks the man sentenced to die will actually say: Thank you very much, Mr Executioner, for the good news.

Napoleon Duarte has underestimated the people's intelligence and thinks the people will remain idle only because the ax stroke was announced as if it were good news. However, his excellency the demagogue who leads the current regime is wrong. No matter how much Duarte tried to minimize the measures with his rhetoric, the measures are really a low and malicious blow against the popular sectors. This is a veritable declaration of war against the people.

Duarte said: Just to prove how good I am, I am not going to give you a 100-colones salary increase like I promised in December, but 150 colones. Duarte added that the government does not have to be pressured with strikes because it increases salaries. Does Napoleon Duarte think that the people have already forgotten how difficult it was for the public employees to get that miserable 100-colones increase? That Pyrrhic increase cost the public employees many sacrifices, accusations, imprisoned leaders, threats, etc. In addition, the 150-colones increase is not enough, even if it is part of the economic measures. Furthermore, the cost of living will increase to heretofore unknown levels.

We must bear in mind that Duarte announced an official 100-percent devaluation of the colon; in other words, the quote increase unquote of 150 colones has already been devalued 100 colones. In fact, they will get approximately 30 colones, based on the previous exchange rate. Now then, the problem is that not only was the coin devalued, something which is a serious blow by itself against the people's economy, but in addition, urban bus fares and the prices of staples have officially increased. We say officially because all the prices will go up; the prices will be increased beyond what was officially announced. It is not true that the government will eradicate the black market, as Duarte claimed; that is impossible. It has been impossible in countries which are not at war. It is even less possible in our country, where we have a war throughout our national territory, where the legal system exists only in name, where the National Guard and police are fighting against another army and cannot possibly look for speculators, and where most of the people live outside the law.

In addition, it is appropriate to ask the following question: Is it, perhaps, possible that the bourgeoisie will give up their privileges, even for one moment? No. The bourgeoisie will never stop importing whiskey, luxury cars, and other luxury items. All those imports must be paid with dollars, dollars which are, of course, obtained in the black market. Furthermore, how can the government control the money orders for small amounts which are sent every month by at least 200,000 Salvadorans who live in the United States? The black market of dollars will not be controlled; in fact, it will be encouraged.

Consequently, the colon's real devaluation is far greater than the 100 percent officially announced.

This devaluation will slowly launch inflation and this will logically cast the popular sectors into deeper poverty and misery. Thus, the 150-colones increase is in fact a salary discount because the coin will be worth much less than before and the luxury items will cost much more. The prices that Duarte showed on his chart exist only on that chart. Duarte should go out and try to purchase a pound of sugar for 60 cents in San Miguel, Sonsonate, Santa Ana, or any neighborhood store in the capital; those prices are false. Duarte's calculations appear to be right, but the people's calculations show the opposite.

Duarte will get enough money to buy the soldiers' boots, buy the repressive corps' ammunition, and pay the colonels' and generals' salaries. However, the workers, peasants, and public employees who were listening and making their own calculations will not fare so well. Has Duarte ever stopped to think how much money will be spent -- only in bus fares -- by a worker who lives in San Antonio Abad and goes to work in Soyapango? We are only talking about the bus fares and the picture is already dramatic for the people.

Even though it was said that the measures will affect everyone, this is only another lie in Duarte's demagogic speech. He offered an additional 1 billion colones -- in cash, he said -- to the coffee producers, availing himself of the increase in coffee prices at the international marekts. He also offered 5 billion colones to the financial burgeoisie, but he practically said the popular sectors had to starve to death. Duarte suggested that those who have a car should buy regular gasoline instead of buying the special gasoline, because the former is cheaper and they would not be affected so much by the crisis. What about the workers, peasants, public employees, and marketplace vendors who do not have a car? What will Duarte suggest for them? Perhaps he will suggest that they go barefoot or starve?

Definitely, the package of economic measures is a veritable declaration of war against the people. All the sacrifices imposed on the working classes are aimed at financing an antinational and antipopular Army. This is not a national war. The government's Army is not defending our territory from another country's army. This is a civil war; the nation is divided. Consequently, the special economic measures -- which would be appropriate during a national war -- are unwarranted because they affect thousands and thousands of people who do not support the Army or the government, and who do not agree that the Yankees should be in our country.

Consequently, the regime can only expect -- and it can be assured that this will happen -- further proof of the people's displeasure. Napoleon Duarte said in his speech that the measures are aimed at stabilizing and strengthening the economy, and everything will eventually benefit the people. What will actually happen? Prices will increase, inflation will increase, the popular sectors will sink deeper into poverty and misery, and all this will happen amidst a sea of dollars that will be pouring into the country. However, these dollars will be distributed among those at the top, the Christian Democrats, the bourgeois, and the military officers.

The popular sectors will not take to the streets and declare strikes because the FMLN has asked them to do so. The popular sectors, the workers, will mobilize themselves and protest because their wives will ask them to do so, given the lack of food; their children will ask them, given the lack of shoes and medicines. In sum, they will protest because they will be driven by hunger and poverty.

Napoleon Duarte justifies all his antipopular policies arguing that we are at war and everything will be destined for the war. What does Napoleon Duarte do for peace? How much money does he allocate for the peace efforts? Instead, he interrupts the dialogue, threatens to imprison people, and persecutes those who organize forums and peace marches. All the sacrifices Duarte demands from the people are for the war against the people.

So, what can the people do to avoid starving to death; to oppose a government which, in addition to decreeing antipopular measures, refuses to exert any effort to achieve political solutions; and to oppose a repressive government? They must pick up their weapons. This is the only road open to the workers, peasants, students, and the people. They must pick up their rifles, particularly the youths, and oppose a regime which represses them, kills them, and starves them. They have no other choice but to pick up their weapons. This is a commitment with the working classes and the homeland.

CORRECTION TO FMLN COMMUNIQUE ON 1981 OFFENSIVE

The following correction pertains to the item headlined "FMLN Views Struggle 5 Years After 1981 Offensive," published in the 15 January Latin America DAILY REPORT, pp P-7 to P-8:

Page P-7, graph four, from line four make read...the electoral struggle abandoned by the democratic...supplying indistinct word.

Graph five, from line four make read...demands of the masses, whether these were... supplying indistinct word.

Same graph, from antepenultimate line make read...to the people throughout the country were enduring persecution, had disappeared, or had been murdered. [new graph] In March...supplying additional words, rewording for clarity.

Graph six, from penultimate line make read...resign ourselves to seeing their hopes for and commitments to liberation crushed and drowned in blood once again in the history of the fatherland. [new graph] Within this framework,...supplying missing words, rewording for clarity.

Page P-8, graph two, from line two make read...wrong. Based on false analyses, they concluded that...rewording.

Same graph, from penultimate line make read...offensives aimed at surrounding and annihilating us. [end graph] ...supplying indistinct word.

Graph three, from line one make read...defeated them one-by-one. Far from defeating... supplying missing words.

Graph five, from line one make read...and the FDR are more united and stronger. [new graph] The people are...supplying indistinct words.

Graph seven, from line two make read...the U.S. Government. It became more corrupt and is now...supplying missing words.

GUATEMALA

CEREZO APPOINTS DEPUTY INTERIOR MINISTER

PA231552 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 21 Jan 86

[Text] This afternoon Miguel Angel Valle Tobar received the president of the Republic's personal and official confirmation of Tobar's designation as the new deputy minister of interior, reported Cadena de Emisoras correspondent Oscar Constantino Figueroa Valiente.

Valle Tobar, who is 57 and a native of Quetzaltenango Department, has been an active member of the Guatemalan Christian Democratic Party [DCG] for the past 17 years. He served as an alternate deputy of the Guatemalan legislature and was later elected a deputy of of that assembly.

Mr Valle Tobar was proposed for the position by the DCG leadership in Quetzaltenango.

HONDURAS

AZCONA REPORTEDLY MAKES CABINET APPOINTMENTS

PA221325 Tegucigalpa Cadena Audio Video in Spanish 1203 GMT 23 Jan 86

[Text] Although President-elect Jose Azcona del Hoyo has not made an official announcement, the news media, especially Radio America, have been able to confirm the names of those being discussed to accompany the president-elect in his Cabinet.

Juan Fernando Lopez, former mayor of San Pedro Sula, has been confirmed as communications secretary.

Francisco Figueroa will be the CONSUPLANE [Higher Council of Economic Planning] secretary. He was under secretary of communications in the first 2 years of the administration of President Roberto Suazo Cordova.

Professor Rodrigo Castillo will be the natural resources secretary. He was natural resources secretary in the first 2 years of the Suazo Cordova government.

Attorney Carlos Lopez Contreras will be the foreign secretary. It has been learned that his appointment as foreign secretary was recommended by the Honduran Armed Forces. He is a cousin of General Walter Lopez Reyes, commander of the Armed Forces.

Adalberto Discua will be the labor secretary. Political and labor circles are saying that his appointment violates the Constitution because it has been said that Discua has pending debts with the National Treasury and therefore cannot be secretary.

Reginaldo Panting will be in the Economy and Commerce Secretariat. His appointment has been seriously quetioned by some sectors of Honduran private enterprise. Panting is apparently disliked by some business sectors due to his temperamental outbursts. Nevertheless, his appointment has been confirmed as a member of the People's Liberal Alliance.

Dr Ramon Villeda Bermudez will be the public health secretary. He was the first to be mentioned by Azcona del Hoyo as a member of his cabinet. Villeda Bermudez is a good doctor with irreproachable conduct who deserves to be given an opportunity to implement his ideas on public health.

Dr Arturo Rendon Pineda will be culture and tourism secretary.

Efrain Bu Giron's appointment as finance secretary was confirmed yesterday. His appointment as well as his acceptance surprised political circles because it is well known that Bu Giron will be politically isolated in that secretariat, which has traditionally been assigned to economic experts.

Celeo Arias Moncada will be secretary of the Presidency.

It has been learned that President-elect Azcona del Hoyo, along with the Armed Forces, has selected a high-ranking officer to be defense secretary. He is Colonel Luis Alonson Cardona.

Elisa de Martinez will be in the Public Education Secretariat. Until yesterday, the appointment of the education secretary had not been decided because university and scientific sectors had proposed Dr Carlton Corrales as the best person to be the public education secretary.

These are the secretaries who have been appointed thus far. Nevertheless, the entire Cabinet will be announced by President-elect Azcona del Hoyo in the next few hours.

21 JANUARY FOREIGN MINISTRY PROTEST TO NICARAGUA

PA232052 San Pedro Sula TIEMPO in Spanish 22 Jan 86 p 2

[Protest note from Honduran Foreign Secretary Edgardo Paz Barnica to Nicaraguan Foreign Minister Miguel D'Escoto, dated 21 January]

[Text] I address Your Excellency to inform you of the following incidents that occurred this month.

1. On 13 January, soldiers of the Sandinist People's Army [EPS] kidnapped Abelino Hernandez, 50, at the border town of Tierra Colorada, Morolica municipality, Choluteca Department, and took him to Nicaraguan territory.

2. The following day, 14 January, an EPS patrol of approximately 60 soldiers entered Honduran territory and went to the village of La Esperanza, Trojes municipality, El Paraiso Department, where they stole a mule and a radio belonging to Hermenegildo Sanchez, and later plundered the surrounding areas.

3. On 17 January, members of an EPS patrol crossed the Honduran border and went to the village of El Bosque, El Paraiso Department, located 3 km northeast of (Tapalchi) where they killed Argentina Blandon Mendoza, kidnapped her sons Hernan and Fidel Mendoza Blandon, and took them to Nicaraguan territory.

4. Finally, on 18 January a patrol comprised of members of the Honduran Army who were complying with their constitutional duty to safeguard our national integrity stepped into a field that had been mined by EPS troops. The field was located near Cano La Cruz, located 1.5 km from the border in El Paraiso Department. As a result, three members of our Army were killed -- Sergeants Valentin Garcia and Federico Urbina, and Corporal Raul Lagos Avila -- and soldiers Isaias Nolasco Benitez and Cesar Javier Gonzalez were seriously wounded.

As Your Excellency can see, the incidents that occurred in a 1-week period run from plundering and rustling to kidnapping and murdering people, as well as mining Honduran territory.

Three valuable members of our Armed Forces have died and two others were wounded as a result of these actions. It looks as though your illustrious government wishes to be more aggressive this year, because the actions against our citizens and the violation of Honduran territory are being carried out every day. My government is not going to tolerate these violations, which in many cases verge on vulgar crime.

For the umpteenth time, my government strongly protests these criminal actions and urges the illustrious Nicaraguan Government to stop these acts of agression, and to once and for all seek dialogue and understanding through the negotiations proposed by the Contadora Group.

With assurances of my most distinguished consideration,

[Signed] Edgardo Paz Barnica, Secretary; Tegucigalpa, D.C. 21 January 1986; Information and Press Directorate, Foreign Affairs Seceretariat

NICARAGUA

PASTORA ENDORSES PACT, SAYS GROUP RESUMES FIGHTING

PA232059 Caracas EL UNIVERSAL in Spanish 16 Jan 86 p 1-6

[Text] San Jose, 15 Jan (ANSA) -- Eden Pastora (Commander Zero), whose forces were defeated in southern Nicaragua last September, has announed that his group has resumed the armed struggle against the Sandinist government.

Pastora sent a communique to ANSA's office in San Jose from "the mountains in southern Nicaragua," in which he also stated that "under no circumstances will we negotiate with the communists or give up the struggle we are waging against Managua's Marxist regime."

In his communique, Pastora reported that 3,000 ARDE (Republican Revolutionary Alliance) [expansion as published] guerrillas under his command have resumed fighting and "have dealt several blows against various towns and military posts of the Sandinist People's Army near Nueva Guinea" (180 km south of Managua).

On another subject, Pastora endorsed a pact signed by five of his commanders with some of the leaders of the Nicaraguan Democratic Forces, FDN, the other guerrilla group fighting against Sandinism with U.S. support. Pastora said the document made public by the Nicaraguan Opposition Unity was signed under his direction, and had the acceptance and support of FDN leader Adolfo Calero. Pastora said the commanders who signed the pact reiterated their support for ARDE, and that since the document was signed, he has not received "a single penny, except for private contributions from some countries in the region."

Pastora added that his group "has not received a single penny of aid approved by the U.S. Congress either, nor has it received a single rifle or a single cartridge from the FDN to continue the war in southern Nicaragua."

MALMIERCA, DELEGATION REACH ZIMBABWE FROM LESOTHO

FL240156 Havana Television Service in Spanish 0100 GMT 24 Jan 86

[Text] Cuban Minister of Foreign Relations Isidoro Malmierca and the delegation accompanying him arrived today in Zimbabwe to begin a working visit to that African country. The Cuban minister of foreign relations traveled from Maseru, capital of Lesotho, to Harare in an official airplane provided by the Government of Zimbabwe because, after the coup d'etat in Lesotho responding to pressures from the racist regime of South Africa, air transport to Lesotho was interrupted.

For 3 days the South African authorities put obstacles in the way of the Cuban delegation's leaving Maseru, showing once again their total disrespect for international legal norms and their impotent resentment of the Cuban people because of their solidarity with African patriots in the struggle against apartheid.

JAPANESE DIET DELEGATION CONCLUDES VISIT

FL231738 Havana Periodico del Aire in Spanish 1700 GMT 23 Jan 86

[Text] Japanese Diet Deputy (Yoshio Sakarushi) and his delegation have concluded their visit to Cuba, which was the result of an invitation from Flavio Bravo, president of the National Assembly of the People's Government, who accompanied them to the airport.

During his stay here, Mr (Sakarushi) met with Commander in Chief Fidel Castro, president of the Councils of State and Ministers, Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and other Cuban officials.

FLAVIO BRAVO RECEIVES NICARAGUA'S GUIDO

FL222330 Havana Radio Periodico del Aire in Spanish 2230 GMT 22 Jan 86

[Text] Flavio Bravo, president of the National Assembly of the People's Government [ANPP], today received Clemente Guido, vice president of the National Assembly of the Republic of Nicaragua. The two discussed the positive results of the meeting of the expanded board of directors of the Latin American Parliament, which met recently in Lima, Peru, and which Flavio Bravo attended, representing Cuba.

Guido also expressed interest in diverse aspects of the work done by the Cuban parliament and expressed his satisfaction at the results of his 1-week visit to our country, which will end tomorrow.

U.S. OFFICIALS ACCUSED OF DRUG TRAFFICKING

PA181733 Havana International Service in Spanish 0000 GMT 14 Jan 86

[Station commentary]

[Text] When drug addiction and drug trafficking are mentioned, it would be best for U.S. officials to keep their mouths shut or pretend they didn't hear anything. By contrast, and with ostentatious boldness, the rest of the world is blamed and an attempt is even made to blame Cuba, a nation that maintains a scrupulous attitude toward the vice and widespread illegal markets for it.

A drug trafficker arrested in Cuba when a boat carrying marijuana to the United States accidentally landed on our coasts told MONCADA, the Cuban magazine, about the dirty dealings underway on Yankee territory concerning such illegal activity. The trafficker, who asked not to be identified, said he was carrying 10,000 lbs of marijuana valued at $3.5 million in perfect collusion with drug traffickers living in the United States.

The cargo, he added, originated in Colombia, and he noted that the boat used has a modern communications systems which allows them to know when a coast guard ship is getting closer.

However, he explained, many naval officers are bribed by the drug traffickers, and some of them intentionally change the course of the military ships when they learn about the path of a ship loaded with drugs. He explained that a safe route is that which passes by Haiti, where the Mafia controls a large portion of maritime patrols and drug boats can circulate without any problems.

The U.S. drug trafficker, who is serving time in a Cuban jail, added that thousands of kilograms of drugs are processed at secret laboratories in Miami. He noted that when police seize any of these places, they generally don't report all the narcotics seized, but use part of it to join the illegal business with an open desire to make a profit.

He explained that police chiefs, businessmen, counterrevolutionary leaders, and large Yankee enterpreneurs are involved in the drug business. The level of drug trafficking is such that DC-4's, with a cargo capacity of 7,000 lbs of marijuana, drop their cargo in various places of Florida and, inexplicably, the authorities do not detect the flight of these aircraft or their true intentions.

COMMENTARY VIEWS REAGAN VISIT TO CARIBBEAN

PA211706 Havana International Service in Spanish 0000 GMT 19 Jan 86

["Our America" commentary]

[Text] Like a run-down emperor touring his domain, U.S. President Ronald Reagan will visit Grenada next month. This is the same man who a little over 2 years ago ordered the invasion of that small Caribbean island by thousands of heavily armed troops supported by aircraft and warships. The intention of this visit is not to solve immediately the serious problems that the Yankee invasion created on the island, but to speak briefly with leaders from the eastern Caribbean, a region that Washington is trying to make an important part of its counterrevolutionary strategy on what it calls its southern border. Observers indicate that the main topics at the meeting will be the strengthening of the U.S. warlike presence, greater involvement by the Caribbean states in this counterrevolutionary plan, and, of course, the renewal of promises of economic aid that never comes.

The United States invested $10 million in the creation of a school in Antigua and Barbuda to train Caribbean paramilitary troops who periodically, with the knowledge of several area states, carry out the "Exotic Palm" military maneuvers. In addition, counterinsurgent exercises were recently held in conjunction with Antiguan forces under the name (?"Upward Key"). It is also believed that this meeting in Grenada may be used to pressure governments such as Trinidad-Tobago, Belize, Guyana, and the Bahamas into joining the so-called Regional Security System supported by the White House. These four countries opposed the invasion of Grenada in October 1983.

Reagan will arrive in Grenada in the midst of his Caribbean servants' laments, as they have not benefitted from the Reagan plan for the Caribbean basin. We must say that the $350 million allotted to the plan in question was given mostly to the Honduran and Salvadoran regimes, and the remnants were more than insufficient for the other beneficiaries.

Last May Maria Eugenia Charles, the prime minister of Dominica who supported Reagan when he announced the armed attack on Grenada, travelled to Washington to beg for greater financial support for her country and to complain about high Yankee tariffs on products imported from the eastern Caribbean. Another servant, Grenadian Prime Minister Herbert Blaize, complained in November 1985 that his country could not pay the foreign debt, which had reached $62 million, because it would mean paying out twice as much as the island receives annually from exports. From March 1984, Blaize had said that Grenada needed at least $250 million to reactivate its economy, which had been seriously damaged by the Yankee invasion. One year later, the only response was Washington's and London's promise to provide the meager sum of $40 million.

In Grenada, under the goodness of imperialism, 60 percent of the economically active population is jobless. Education and health, which were free during Maurice Bishop's government, are now a privilege only for those who can pay. Last November at the Miami conference of nations participating in the Yankee Caribbean plan, delegates from Jamaica, Barbados, Dominica, and Saint Lucia had no alternative but to express their dissatisfaction over the program, of which the Salvadoran and Honduran Governments have been the true beneficiaries.

Jamaica, a country that Reagan tried to make the showcase of imperialism in the Caribbean, is sinking helplessly. The island's foreign debt increased by $500 million in 1985, totalling $4 billion, and inflation is between 35 and 40 percent. For Edward Seaga, Reagan's first foreign guest after his inauguration in 1980, the situation is increasingly bleak, to the point where 62 percent of the people believe that the situation has worsened markedly in the past 5 years.

Under this perspective Reagan will visit the eastern Caribbean and especially Grenada, its direct victim in the area. We will see if his Hollywood actor's tricks will help him convince his acolytes that everything is okay.

DOMINICA

GUADELOUPE DELEGATION MEETS WITH CHARLES

FL231520 Bonaire Trans World Radio in English 1130 GMT 23 Jan 86

[Text] An official delegation from Guadeloupe met yesterday with top government officials in Dominica, including Prime Minister Eugenia Charles. This visit comes as large numbers of Dominicans are being deported from Guadeloupe. The delegation was headed by the president of the General Council of Guadeloupe. Talks between the French delegation and Prime Minister Charles centered on relations between the two countries. A Foreign Affairs Ministry spokesman said discussions on the recent state of deportation of Dominicans from Guadeloupe is not on the agenda but would be introduced by Prime Minister Charles. So far, there has been no government statement on the outcome of the discussions.

It is believed that due to the recent bombings in Guadeloupe by pro-independence groups, there are more police patrolling the streets, and this is said to have caused the roundup and deportation of illegal aliens. Government officials estimate that there are over 5,000 Dominicans residing in Guadeloupe, and nearly half this number entered the country illegally.

GRENADA

GRENADIAN VOICE CRITICIZES REAGAN VISIT

FL231636 Bridgetown CANA in English 1539 GMT 23 Jan 86

[Text] St Georges, Jan 23, CANA -- THE GRENADIAN VOICE newspaper has criticised the programme for the visit of United States President Ronald Reagan next month. We do not like the programme, the weekly said in a front page editorial. It particularly objected to Reagan meeting Prime Minister Herbert Blaize at the residence of the governor general where he will also see Caribbean leaders during his four-hour visit on February 20. The voice noted that Blaize also met Vice-President George Bush at the same venue last year.

The prime minister is the executive head of this nation and he must be treated with due dignity. If it is not possible for the prime minister to receive the president in his own office, then let all call on the president at the American Embassy. We are also of the firm opinion that it is most appropriate that Mr Reagan should address a joint session of the houses of parliament his efforts helped to restore and that he should unveil our own national memorial to his fallen men rather than visit the one at the (American-owned) university, the paper said.

Reagan is due to attend a ceremony at a bronze monument erected at the St Georges University School of Medicine in honour of the 19 Americans killed during the 1983 U.S.-led invasion of the island which restored parliamentary democracy here. He will also address Grenadians during a rally at Queens Park, just outside the capital.

INTER-AMERICAN AFFAIRS

NICARAGUA TO HOLD REGIONAL PARTIES MEETING

FL211846 Mexico City NOTIMEX in Spanish 0440 GMT 21 Jan 86

[Text] Managua, 20 Jan (NOTIMEX) -- A Sandinist source has told NOTIMEX that Latin American and Caribbean political parties from different ideological points of view will meet in Nicaragua from 10-12 February to analyze the Central American situation.

The source indicated that up to the moment, all the political parties of the region have been invited so that all Latin American political forces can analyze the Central American problem and propose a peaceful solution. The Sandinist source also reported that the list of participants was not available but that it is expected that several Mexican political parties will attend.

It was reported that the purpose of the conference is to support and recognize the Contadora Group's work.

The plenary meeting of the parties will try to create an awareness that the Central American problem cannot be isolated because any warlike confrontation in the region will have repercussions in the entire continent, said the Sandinist source.

GUYANA

GOVERNMENT READY TO SUBMIT BUDGET FOR 1986

FL231732 Bridgetown CANA in English 1500 GMT 23 Jan 86

[Text] Georgetown, Guyana, Jan 23, CANA -- The Guyana Government will present its 1986 budget on February 14, the first since the ruling People's National Congress (PNC) was returned to power in controversial general elections last month, it has been officially announced.

Informed sources said officials of the state planning secretariat were busy working on the preparation of the document.

Sources said the budget was likely to reflect greater scope for the private sector with emphasis on small business entrepreneurship.

The beleaguered Guyana economy is 80 per cent state-controlled but President Desmond Hoyte has promised a greater role for the business sector.

A senior State Planning Secretariat official said the budget would be a development and living-within-our-means budget. He did not elaborate.

Guyana has a severe shortage of foreign exchange, which has led to a cut-off of funding from various international lending agencies. This is reflected in widespread shortages of goods and industrial spares.

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L.A. PARLIAMENT HAILS GUATEMALAN DEMOCRACY

PA240337 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 24 Jan 86

[Text] This is a Latin American Parliament statement regarding Guatemala's return to democracy.

Whereas:

1. Guatemala has resumed its democratic and institutional life through free elections after a long and painful period of dictatorships and violence;

2. Upon resuming its activities, the Guatemalan Congress has determined to again join the Latin American Parliament, of which this country was one of the founding national parliaments;

3. Guatemalan President Vinicio Cerezo Arevalo has proposed the creation of a Central American parliament whose regional purposes agree with those of the Latin American Parliament;

The Latin American Parliament agrees to:

1. Hail Guatemala, whose people have crowned a long and heroic struggle for the return to democracy;

2. Express satisfaction for the Guatemalan Congress' return to the Latin American Parliament;

3. Express its identification with Cerezo's initiative and efforts to create a Central American parliament within the Latin American Parliament.

Board of directors of the Latin American Parliament

17 January 1986

[Signed] Luis Agustin Leon, President; Andres Tausen Escurra, Secretary General

BOLIVIA'S GARRET AYLLON PROPOSES ANDEAN SUMMIT

PY240003 Madrid EFE in Spanish 2333 GMT 22 Jan 86

[Text] La Paz, 22 Jan (EFE) -- Bolivian Vice President Julio Garret Ayllon, president of the Andean Parliament, today proposed holding a meeting of the Bolivian, Colombian, Ecuadoran, Peruvian, and Venezuelan heads of state.

The meeting will reportedly be in preparation for the "summit" of Latin American presidents scheduled for June in Panama. The issues to be discussed will be related to the foreign debt of the countries represented, the Central American problem, and drug trafficking, Garret said.

He made this proposal in a speech delivered today after being informed by Colombian Ambassador Alfredo Urdinola that Bogota has been confirmed as the headquarters for the Andean Parliament.

ANDEAN PARLIAMENT PROJECTS 1986 ACTIVITIES

PY240006 La Paz Cadena Panamericana in Spanish 1139 GMT 23 Jan 86

[Text] An official delegate to the Andean Parliament has reported to Bolivian Vice President Garret Ayllon during a special ceremony that the official seat of the Andean Parliament will be Bogota, Colombia. In statements to Radio Panamericana, Deputy Hedin Cespedes reports on the activities of the Andean Parliament, whose president is Garret Ayllon.

[Begin recording] We had the opportunity to participate, as representatives of Bolivia, in the meeting of the directive Board of the Latin American Parliament [as heard], held from 16 to 18 January this year. The meeting mainly studied and planned the activities to be undertaken by the Latin American Parliament in 1986. In the first place, a special Latin American Parliament meeting was approved for the first week of April to deal with the Central American problem. The tensions and violence in the Central American region have been one of the subjects of concern to the Latin American Parliament, and for this reason, the meeting will be held in Guatemala in order to enable the Latin American countries, through their parliaments, to cooperate with the Contadora Group in its task of bringing about the pacification of the region, leaving aside the hegemonical interests now in play there. [end recording]

Deputy Cespedes gives more details of the activities planned by the Andean Parliament this year. It has been planned that a number of meetings, some of which are important, will take place in Bolivia.

[Begin recording] The Latin American Parliament [as heard] has five permanent commissions: the Economic Commission, the Political Commission, the Human Rights Commission, the Education Commission, and the Statutes Commission. I am happy to be able to report that Bolivia hosts the Economic Commission, which will hold its meeting in Santa Cruz in June. During that meeting, the economic situation of the Latin American countries will be studied, particularly their foreign debt and the way to pay it.

The meeting of the permanent Human Rights Commission will be held in Quito, and at the same time, another meeting will be held on drug trafficking, the scourge of several Latin American countries, which their parliaments must approach in some way or other, because drug trafficking is causing a distortion of values in Bolivian society and in Latin American society. [end recording]

As you have heard, the Andean Parliament intends to carry out quite a broad program this year.

RESULTS OF GENERAL STRIKE, REACTIONS VIEWED

TELAM Report

PY250128 Buenos Aires TELAM in Spanish 0000 GMT 25 Jan 86

[Excerpts] Buenos Aires, 24 Jan (TELAM) -- The national general strike that the General Labor Confederation [CGT] ordered for today was widely obeyed. Absenteeism was estimated by the CGT at 97.4 percent, since most of the transport unions obeyed the strike call. For the CGT the general strike has been what we forecast: A popular referendum against the subordination of our economy to the demands of the IMF and the sacrifice that is imposed on the people in order to pay the interest of the alleged foreign debt to international profiteers.

As on other occasions, the strike had its major effect in the industrial sectors, although the inactivity also affected important parts of the commercial and services sectors. There has been total calm throughout the country and there were absolutely no incidents. The transport sector in this capital was practically paralyzed, although the subway system was working with trains running every 5 to 8 minutes until 1800 [2100 GMT], when the service was interrupted due to the lack of passengers.

Many banks, cinemas and to a lesser degree bars and restaurants remained open in the downtown area but there were not many customers. The downtown area shops, with the exception of the restaurants, closed their doors, as did the Rio, Sudameris, Alas, Avellaneda, and Cabildo banks as well as the Banco do Brasil, while the rest of the banking sector opened as usual. Approximately 52 percent of the local townhall employees turned up to work, while the capital's hospitals and health centers carried out their normal activities and the services and emergency actions of other sectors of the municipalities were also carried out.

Aerolineas Argentinas has reported that it carried out all its rescheduled internal flights due to the fact that 50 percent of its personnel turned up to work. Five of the company's international flights arrived at Ezeiza Airport as scheduled although all flights leaving the country had to be cancelled. Austral Airlines converted 80 percent of the emergency domestic flights that it had rescheduled.

The Motor Transport Workers Union (UTA) has reported that all obeyed the strike call in the interior of the country, with the exception of Neuquen and Rio Negro, where absenteeism reached 80 percent. According to the UTA, absenteeism in the federal capital reached approximately 85 percent, while 5 percent of the units circulated with their owners at the wheels. Activities were normal at the horserace track Hipodromo Argentino, where the usual Friday races were held.

The stoppage was total in the city of Cordoba with total absenteeism in the industrial sector, although many shops on the city's outskirts opened their doors. The scene was similar in most of the province's major cities with the transport sector being the most inactive. Some incidents occurred early this morning and at mid-morning, when pickets of strikers toured several neighborhoods and demanded that the owners of bars and service stations close their doors. In some cases the injured persons had to be taken to the hospital. Adolfo Cortez, deputy secretary of the Unified CGT, told TELAM that there were picketers and that some minor incidents could have taken place.

Labor Ministry Communique

PY250226 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2335 GMT 24 Jan 86

[Text] Buenos Aires, 24 Jan (NA) -- Tonight, the Labor Ministry reported that the stoppage "was observed throughout the country with varying degrees of intensity, depending on the sector of activity," and noted that the right to strike was respected just as was the right to work. It also observed that "the worker lost 1 day's salary" and "the country lost 1 day of production." The official communique says that "as far as we know no country in the world has overcome a crisis by resorting to stoppages or confrontations. On the contrary, the nations that have achieved social stability are today the ones with higher levels of employment and salaries, as well as with stronger political institutions." The communique was released by Government House shortly before 2030 after an hour-long meeting held by Labor Minister Hugo Barrionuevo and Interior Minister Antonio Troccoli. The text of the communique reads as follows:

"The stoppage was observed throughout the country with different degrees of intensity, depending on the sector of activity. It must, therefore, be pointed out that, thanks to the existence of a state of law and democratic institutions, the exercise of the right to strike has been guaranteed, as has the exercise of the right to work. Once more we should think whether the strike has benefited the workers or produced a substantial change for the better in the situation of the workers.

"We understand that none of that has happened. On the contrary, the worker has lost 1 day's salary and the country has lost 1 day's production and services. Argentina has again occupied the international headlines with the stoppage of activities, just when the country needs to grow, to invest, and to regain consideration from the international community. As far as we know, no country in the world has overcome a crisis by resorting to stoppages or confrontations. On the contrary, the nations that have achieved social stability are the ones that today have the higher levels of employment and salaries, as well as the stronger political institutions.

"The stoppage has given us an opportunity to think about some facts: Many workers have adopted the measure, but many others have been forced not to report to their places of work for lack of transportation, and yet others did not report to work because they are on vacation. Thus, this new general strike, the fourth since 10 December 1983, should call the people to reflection and responsibility. As the government has stated on several occasions, the social sectors in the democratic and participatory society have the right and the duty to express dissent and to make demands in a context of social dialogue. But dissent cannot mean to make dialogue subject to the uncompromising position of one sector alone, because this attitude will not help find solutions to the problems that the entire community is trying to overcome. Without dialogue, without social responsibility, and without specific and reasonable alternate proposals, the country's economic growth will only be hindered, as will the consolidation of democratic coexistence and social peace."

CGT Communiques

PY250241 Buenos Aires TELAM in Spanish 0032 GMT 25 Jan 86

[Text] Buenos Aires, 24 Jan (TELAM) -- The General Labor Confederation (CGT) today issued a communique stating that it has not sought confrontation but national unity while reporting the rates of absenteeism in rural parts of the country and a breakdown by type of trade.

The communiques issued with only 4 hours to go before the strike is due to end show that compliance with the strike was between 85 and 100 percent. The first communique, which is signed by CGT Secretary General Saul Ubaldini, states that the people have responded to the national proposal of the CGT by participating in a peaceful and calm demonstration that has left no doubts about their joint rejection of the socioeconomic policy.

After explaining that this policy places the burden of the foreign debt on the shoulders of the people, the communique goes on to say that today's strike is historical both because of the 97.3 percent rate of compliance by the labor force and because it is an unobjectionable and straightforward display of national will. It adds: We did not advocate confrontation. We called for national unity in the quest for greatness that can only be achieved if all the efforts and sacrifices we have been making can be channeled into a coherent plan for reactivation based, more than anything else, on the confidence in our own strength and the ability of our people to devise on their own, using their intelligence and industry, an honorable future free from ties, servitude, hunger, misery, humiliation and dependence. The communique indicates: On this magnificent occasion we have all fulfilled our duty. Tomorrow will be dawning soon and this day, like others to follow, will show us whether we shall meet on the path toward greatness, forget offenses received, and cooperate for independent growth. The communique also invited the government to forsake spurious commitments and humbly merge with the people in a march that can only end with the attainment of the great Argentina we all dream about, the Argentina we have all sworn to live for, thus proving that it is an enlightened, responsible, and generous government. The communique concludes by stating that through this strike the CGT has defeated alien enemies of our full and free life. Let us choose victory with the people and not with the IMF.

In another communique, the CGT reported the rates of compliance with the strike which, according to it, were collected through permanent contacts with all member organizations and regional branches throughout the country. It added that CGT Secretary General Saul Ubaldini spent the whole day at CGT headquarters at 802 Azopardo Street. The communique stressed that in view of the accident involving a bus in San Juan Province, the CGT executive board ordered a relaxation of the strike by the health, chemical and service-station workers in that province in order to help the injured people.

The list of rates of compliance with the 24-hour strike at regional branches shows that in the Federal Capital and Buenos Aires the rate was 98 percent. In the provinces of Formosa, Jujuy, La Rioja and La Pampa, the rate was 100 percent; it was 99 percent in Catamarca and Tierra del Fuego; 98 in the Federal Capital and Buenos Aires Province, also in Chaco, Salta, Santiago del Estero, Santa Fe, San Juan and Tucuman; 97 percent in Cordoba, Corrientes, Misiones, Neuquen, Santa Cruz and San Luis; 96 percent in Chubut; 95 percent in Rio Negro; 91 percent in Entre Rios and 90 percent in Mendoza.

As to compliance by trade the CGT claimed that it was 100 percent in the following trade unions: foodworkers, winery workers, waterworks and sewerage workers, chemical workers, La Fraternidad, Association of State Workers, port workers, leather workers, glass workers, municipal workers, painters, Trade Union of Mechanics and Related Automative Transportation Workers, UTEDIC [expansion unknown], private petroleum workers, rubber industry workers, tobacco workers, oil workers, soft drink factory workers, state gas workers, railroad workers, naval workers, soft drink factory workers, state gas workers, Zapla smelters, light and power workers, railroad workers, naval workers, ceramic workers, brewery workers, Federation of Postal and Telecommunications Workers, paper workers, maritime workers, metalworkers, beef processing related workers, clothes factory workers, dairy workers, sugar mill workers, shoemakers and printers.

Opposition's Approval Noted

PY261944 Buenos Aires BUENOS AIRES HERALD in English 26 Jan 86 p 13

[Text] (DYN-NA) -- Opposition leaders were quick to give their approval to Friday's general strike, while postal service head Ignacio Ortiz's resignation yesterday threatened to send the country's post offices back to work-to-rule measures. Former Peronist presidential candidate Italo Luder said the strike "constituted a mature expression that is a call to the government's attention. "Let's hope that the government will not lose its cool again," said Luder, "and that it confronts the responsibility of reconstruction of the productive apparatus."

Deputy Miguel Monserrat (Intransigent-BA) said observance levels for the CGT strike were "extraordinary" and that it showed "the people's rejection of the government's present economic policies. Senator Oraldo Britos (Peronist-San Luis) said the strike was "a true plebiscite" on the government and advised the administration not to consider it "an attack" on either it or the ruling party. He said the strike should be viewed as a "massive and just demand" for a change in official economic policies.

Also in labour, the month-long postal dispute threatened to heat up again as ENTEL Administrator-General Ortiz resigned when his accord with the union was rejected by President Raul Alfonsin's cabinet and reportedly Alfonsin himself. Postal employees had been working under slowdown measures until Wednesday, when an accord between Ortiz and postal workers union head Ramon Baldassani got the mails moving again. The accord provided for pay increases of between seven and 20 percent, but its terms were too generous for Ortiz's superiors in the President's cabinet. Ortiz will personally present his resignation to Alfonsin on Monday for him to accept or reject it. Baldassini sharply criticized the government for rejecting the accord and apparently pulling the rug out from under Ortiz, saying officialdom was making "a tremendous error" that "wouldn't stand up to any juridical analysis." Baldassini also said the accord "has been in effect since Wednesday and is not subject to modification of any kind" and expressed the solidarity "of 45,000 postal workers" with Ortiz.

Meanwhile, state workers union leader Victor De Genaro said the CGT is considering holding a "Unity Congress" with the participation of representatives from political parties, unions, and industrial organizations to "put together a national project that helps us overcome the crisis." Striking a constructive note after the CGT's general strike brought the country to a halt, De Genaro said the trade union federation will also consider re-joining the socio-economic conference and will call on the President to take action against price control violators.

CGT Secretary General Saul Ubaldini said "we will resume talks with the authorities only if they commit themselves to keeping in mind our proposals with seriousness and respect." Criticism of the strike came mainly from Radical circles. BA Province party boss Juan Manuel Casella said that such strikes "benefit fundamentally the aggressive left." Deputy Leopoldo Moreau (Radical-BA) said in Mar del Plata that he would like to debate publicly with Ubaldini on the issue of the foreign debt, adding that the strike "expressed a protest but in no way a proposal."

CAPUTO REVIEWS AGENDA, DEPARTS FOR USSR

PY270216 Buenos Aires DYN in Spanish 0130 GMT 27 Jan 86

[Text] Buenos Aires, 26 Jan (DYN) -- Foreign Minister Dante Caputo tonight emphasized the symbolic importance of his trip to Moscow. He explained, however, that important bilateral economic issues will be discussed during the visit. Caputo added that the talks will also include detente, Mikhail Gorbachev's proposals for world disarmament, and the conflict in Central America, especially Nicaragua. Caputo made this statement at Ezeiza International Airport just before leaving for the Soviet Union, which is the first visit of an Argentine foreign minister to that country.

VICE PRESIDENT LEAVES FOR AZCONA INAUGURATION

PY251259 Buenos Aires TELAM in Spanish 1053 GMT 25 Jan 86

[Text] Buenos Aires, 25 Jan (TELAM) -- Vice President Victor Martinez departed at exactly 0735 for Honduras from the presidential sector of Aeroparque Metropolitan Airport. On Monday, he will attend the inauguration of Jose Azcona Hoyo, Honduran constitutional president elected last November. The vice president and his retinue are scheduled to arrive in Tegucigalpa at 1800 Argentine time.

PCA RELAYS PCCH COMMUNIQUE ON ARMED STRUGGLE

PY212305 Buenos Aires TELAM in Spanish 1923 GMT 21 Jan 86

[Text] Buenos Aires, 21 Jan (TELAM) -- The Communist Party of Argentina [PCA] has relayed a communique issued by its Chilean counterpart, denying that the Communist Party of Chile [PCCh] has chosen armed struggle as the way to confront the regime of Augusto Pinochet in Chile.

The communique states that Luis Guastavino, a PCCh member, stated that statements to that effect are part of an ongoing advertising campaign to create difficulties between Argentine democratic sectors and an important sector of the Chilean opposition to the dictatorship of Pinochet. The communique adds that the PCCh is being charged with creating problems for Argentina by choosing armed struggle, guerrilla warfare, or a war of attrition which, once again, we deny because we actually seek a broad social mobilization by the people through an understanding among all the opposition forces. The communique concludes by stating that the anti-communist campaign benefits Pinochet but that the democratic forces in other countries will not be involved in this campaign thanks to their maturity, reached at the expense of very dramatic experience.

INTERIOR MINISTRY CALLS COB STRIKE FAILURE

PY241346 La Paz Cadena Panamericana in Spanish 1130 GMT 24 Jan 86

[Text] The Interior Ministry has issued a communique stating that the general strike called by the Bolivian Labor Confederation [COB] for 23 January was a resounding failure. After referring to events that occurred in the past, the communique states that the Interior Ministry will make sure that the COB will not disrupt public order.

If there are new attempts to promote a social outburst through actions that are forbidden in any civilized country because of the danger they pose to innocent people, the Interior Ministry will take action in compliance with its specific duties. If necessary, the ministry will act with increasing strength, in proportion to the magnitude of the provocation.

ANALYSTS SAY PAZ' ACTIONS WEAKEN PARTY

PY241757 Paris AFP in Spanish 0311 GMT 24 Jan 86

[Text] La Paz, 23 Jan (AFP) -- Political analysts said here today that the installation of the new Cabinet yesterday has worsened the disagreements between Victor Paz Estenssoro and the leadership of the official party, the Nationalist Revolutionary Movement (MNR).

The analysts noted that the MNR leadership did not attend the installation of the new Cabinet, which is now made up of representatives of private enterprises, banks, and mining as well as sympathizers of the conservative Nationalists Democratic Alliance (ADN) of General Hugo Banzer Suarez in disregard of national MNR leaders.

It has also been learned that the MNR labor representatives submitted their resignations in the last few hours and later withdrew them under presidental pressure.

The MNR dissidents warn that Paz Estenssoro is once again weakening his party as on 4 November 1964 when he was overthrown by the Bolivian right.

GARCIA MEZA ASKS TO ASSUME DEFENSE AGAINST SUIT

PY241811 La Paz Cadena Panamericana in Spanish 0000 GMT 24 Jan 86

[Excerpt] As an exclusive news item, Panamericana aired at about 1830 the text of a letter sent from Montevideo, Uruguay, to the president of the honorable National Congress, Dr Julio Garret Ayllon, by General Luis Garcia Meza. The former President of a de facto government that came to power in a bloody coup d'etat against the constitutional government of Lydia Gueiler Tejada asks for guarantees from Congress so that he can appear in congress to defend himself in the suit against him for misconduct in the exercise of government.

We will now repeat the text of the letter signed by Luis Garcia Meza:

Your Excellency: Through reports in the Bolivian press, I have learned of the suit against the government I headed.

So far, the respective commission of the honorable Congress has instituted some sort of in absentia prosecution, without giving me the opportunity to defend myself as provided for in the laws of our country, which guarantee that no one can be sentenced without having had such an opportunity and that one is presumed innocent until proven guilty.

I therefore request, through your mediation, guarantees to assume my self-defense in the suit that is being brought against me. This is a right that has been denied me for 5 years, although it is an inviolable right of all people, as prescribed by the political Constitution of the state. This constitutional provision is not being respected in my case, despite the fact that strict observance of the Constitution is a tenet now being preached.

As former president of the Republic, General of the Armed Forces, and Bolivian citizen, I reiterate my request to Your Excellency for guarantees to assume my defense on behalf of the Armed Forces which I represented in the government.

BRIEFS

ARMED FORCES APPOINTMENT -- The Bolivian joint chiefs of staff has appointed Colonel Ivan Urgel as Armed Forces civic action director. The officer was sworn in on 13 January by Armed Forces Commander in Chief, General Raul Lopez Leyton. [Summary] [La Paz PRESENCIA in Spanish 14 Jan 85 p 5 PY]

ENVOY TO IRAQ TO PROBE PLO ARMS TRANSFER

PY241325 Madrid EFE in Spanish 1244 GMT 24 Jan 86

[Text] Brasilia, 24 Jan (EFE) -- The Foreign Ministry has ordered its ambassador to Baghdad to investigate PLO access to Brazilian-made weapons and armored vehicles. The order was prompted by a report received here on a recent military parade in Baghdad in which PLO groups displayed Brazilian-made weapons and armored vehicles.

A Foreign Ministry spokesman stated today that Brazil does not recognize the PLO and does not sell arms to guerrilla groups. The Brazilian ambassador to Iraq, General Alacyr Werner, will have to prepare a report on the transfer of arms to the Palestinian guerrilla group.

Brazil, the world's fifth-ranking manufacturer of arms, sells large quantities of materiel to the Middle East. Saudi Arabia, Egypt, Libya, Iran, and Iraq use Brazilian arms. Local press sources believe Colonel Mu'ammar al-Qadhdhafi may have ordered the transfer to the PLO of arms Libya had purchased from Brazil. The Iranian Government could also have done so.

PRESIDENT SARNEY PROHIBITS BUDGET INCREASES

PY251351 Brasilia Domestic Service in Portuguese 2100 GMT 24 Jan 86

[Text] Frota Neto, presidential spokesman for economic matters, reported today that during yesterday's meeting with Finance Minister Dilson Funaro and Planning Minister Joao Sayad President Jose Sarney prohibited any further national budget increase in order not to boost inflation.

[Begin Neto recording] The president ordered that there be no increases in the national budget. He ordered no supplementary [word indistinct] in any (?respect). [end recording]

Neto said that the meeting was held to analyze January's high inflation rate.

[Begin recording] If it were not for the great increase in the prices of agricultural products, Brazilian inflation would be within (?limits) at around 10 percent a month. [passage indistinct] The state has adopted several measures to reduce, neutralize, and decrease the existing (?rates) to prevent future rates from reaching January's levels. [end recording]

POLITICAL FORCES ALIGN WITH QUADROS, BRIZOLA

PY242120 Madrid EFE in Spanish 0904 GMT 24 Jan 86

[By Francisco Roque Bararreza]

[Text] Brasilia, 24 Jan (EFE) -- Brazilian politics, 10 months after the reinstitution of democracy, are polarized by the populist figures of rightist Janio Quadros and Social Democrat Leonel Brizola.

According to statements by Health Minister Carlos Santana, the Brazilian Democratic Mobilization Party (PMDB), the main supporter of Jose Sarney's administration, has been struggling with a profound crisis which threatens to weaken it. The so-called independent left of the PMDB, one of whose members is Justice Minister Fernando Lyra, is negotiating an alliance with the charismatic Leonel Brizola, current governor of Rio de Janeiro and a possible presidential candidate of the Democratic Labor Party (PDT).

At the other end of the Brazilian political spectrum is the controversial former president and current mayor of Sao Paulo, Janio Quadros, who in a few months has become the catalyst of rightist forces.

Yesterday in Brasilia nine deputies of the PMDB and the Liberal Front Party (both party of the ruling Democratic Alliance coalition) announced their intentions to join the Brazilian Labor Party (PTB) headed by Quadros. The PTB is the third largest force in Congress and competes with the Liberal Front for second place. Quadros, who defeated the PMDB candidate in November, says he will not run for president in 1987, but his supporters say he will.

The formation of new leftist and rightist coalitions is in preparation for the political struggle in the November elections for the Constituent Assembly and governorships of 24 states.

Lyra, who has become the PMDB's enfant terrible, yesterday justified the probable leftist alliance with Brizola by his desire for the Constituent Assembly to continue its efforts to change social and democratic structures. Minister Lyra, without the support of the PMDB leaders, intends to meet in February with Luis Ignacio "Lula" da Silva, the main figure of the Labor Party (PT), in order to broaden the progressive front.

With similar intentions, Brizola and Fortaleza Mayor Maria Luiza Fontenele, a new political star of the PT, will meet in Rio de Janeiro on 21 January.

PMDB President Ulysses, in the face of the independent action of Lyra and the left, has said that his party has been building political bases in the cities for 20 years, but he admits that alliances might be formed for the upcoming November elections.

The conservative forces and the Brazilian right see their political alternative in Quadros. During the past mayoral elections they gave Quadros all the necessary support for his victory in Sao Paulo. According to analysts, the right intends to do the same thing in the upcoming elections so as to defend its interests and have a capable and experienced candidate to compete with the charismatic Brizola.

EMBRATEL TO REPRESENT URUGUAY IN INTELSAT

PY241431 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Jan 86

[Text] Brazil will represent Uruguay in the Intelsat system according to an agreement signed between the Communications Ministry and the National Administration for Telecommunications, the Uruguayan communications enterprise.

Brazil will defend the interests of Uruguay and Portugal in the Management Council [Junta de Governadores] of the (?Intercap) [not further identified].

From now on the Brazilian Telecommunications Company's [Embratel] vote will carry more weight and more political influence in the organization, as it will be the largest shareholder. Communications Minister Antonio Carlos Magalhaes emphasized Embratel's responsibility:

[Begin recording] I believe we will have a [words indistinct], but it will be used democratically because we will do it only after consulting with these countries. [end recording]

The Intelsat system has 110 member countries, but only the 16 largest shareholders can participate in the administrative and organizational decisions. Embratel is the eighth largest shareholder, with 3.4 percent of the capital, while Portugal and Uruguay do not have enough shares to participate in the council.

CONSTRUCTION OF SUPERSONIC PLANES STUDIED

PY221120 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jan 85 p 4

[Excerpts] Brasilia -- Brazilian Aeronautics Minister Brigadier General Octavio Moreira Lima yesterday revealed that Brazil is studying the possibility of purchasing and building supersonic planes for the Brazilian Armed Forces. General Moreira Lima made this remarks after a ceremony commemorating the 45th anniversary of his ministry at the Brasilia Air Base.

Speaking at a press conference, Moreira Lima indicated that there are good prospects for the widely varied projects that the Air Force has been developing. These projects involve the purchase and construction of supersonic airplanes. According to the minister, the Air Force General Staff is currently working with Embraer (Brazilian Aeonautics Enterprise) on studies concerning the design of these planes. Several international contacts with firms that manufacture supersonic aircraft have already been made for joint construction of these planes, because to build them without foreign assistance would be extremely expensive. The Belgian Air Force has already offered supersonic F-104 aircraft to Brazil, but according to Moreira Lima there are only some preliminary agreements in this regard.

Meanwhile, the Ministry of Aeronautics believes that its main objective is ensuring the sovereignty of Brazilian airspace. A program is already under way to produce components for airplanes locally. Through this the aeronautics industry will develop the capacity to produce 70 percent of these components, and there will be no need to import them.

BRIEFS

AIR FORCE ACADEMY COMMANDER — Brigadier Fernando Cesar de Oliveira assumed command of the Pirassununga Air Force Academy yesterday, replacing Brigadier Luiz Felipe Pinheiro, who has been appointed Brazilian military attache to the United States. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jan 86 p 5 PY]

MILITARY REGION COMMANDER — General Enio Martins Senna assumed command yesterday of the 2d Military Region. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jan 86 P 2 PY]

4 DEAD, 24 MISSING AFTER ARMS FACTORY EXPLOSION

PY252312 Paris AFP in Spanish 2255 GMT 25 Jan 86

[Text] Iquique, 25 Jan (AFP) -- According to an official report released by the Cardoen Arms Factory today, 4 persons died, 11 were injured, and 24 are missing as a result of today's explosion in one of the sections of the plant. However, the communique did not report the exact causes of the explosion, which apparently occurred in the section where the powerful cluster bombs that Cardoen exports to Iraq, Iran, and other Middle East countries are manufactured.

MDP LEADER PLANS GENERAL STRIKE IN APRIL

AU242000 [Editorial Report] Vienna Domestic Service in German at 1720 GMT on 24 January carries a 5-minute report by Austrian radio reporter Reimund Loew on an interview given to him "in Vienna today" by Jose San Fuentes, general secretary of the Popular Democratic Movement (MDP), an alliance of "Chilean left-wing opposition parties." The report contains recorded portions of the interview.

Loew opens the report by quoting Fuentes on the need for unity of all "democratic forces" in Chile, for -- in the view of the Chilean opposition leader -- "the time is ripe for Pinochet's fall in 1986." The report goes on to quote Fuentes on the "growing isolation" of Pinochet, even on the right of Chile's political spectrum, on the "deteriorating human rights situation in the country"; and on the "catastrophic" economic situation of Chile. Loew then notes that, according to Fuentes, the Chilean opposition is preparing "a broad mobilization for the coming April, modelled on the national days of protest held last year."

Fuentes is then heard telling Loew (in Spanish, with superimposed German translation): The opposition is facing a great task. In April it is planning to paralyze the whole country, under the slogan 'Democracy Today, Pinochet Must Go.' It will not be a mere day of protest; the demonstrations are to be coupled with a general strike lasting several days. All workers -- Christian Democrats, socialists, and communists alike -- will stop working. Women, people from the slums, the entire population will demonstrate. It will be the largest anti-fascist mobilization in Chile in the last 12 years."

Concluding, Loew reports on the MDP's ideas about the future of Chile. He says that, after the fall of Pinochet, -- according to the MDP -- power should be taken over by a "provisional caretaker government representing all democratic forces." Thereafter, a "constituent assembly" should draw up a new constitution and "decide about the further development of the country."

BETANCUR CANCELS TRIP TO HONDURAN INAUGURATION

PA251811 Bogota Cadena Radial Super in Spanish 1756 GMT 25 Jan 86

[Text] It was announced officially today that President Belisario Betancur has suddenly canceled his trip to Honduras, where he was to attend the inauguration of President-elect Jose Azcona del Hoyo. Betancur has appointed Foreign Minister Augusto Ramirez Ocampo to represent him at the ceremonies. A brief bulletin from the Presidency made this announcement without disclosing why the president has canceled his planned visit to Honduras.

The Colombian president was to leave for Tegucigalpa on 26 January and stay for 36 hours.

NOTE TO VENEZUELA PROTESTS BOAT INCIDENT

PA260418 Bogota EL SIGLO in Spanish 22 Jan 86 p 1

[Text] Foreign Minister Augusto Ramirez announced yesterday that a protest note has been sent to the Venezuelan Government regarding the detention by Venezuelan warships of two fishing vessels owned by the Vikingos enterprise last weekend and the entrance of those warships into Colombian territorial waters.

At the end of a special cabinet meeting, Ramirez Ocampo said it has been fully proved that the fishing vessels were in Colombian waters when they were approached by the Venezuelan warships.

Thus, the Venezuelans not ony boarded the Colombian vessels and forced them to head toward Venezuela, they also invaded Colombian territory.

The Colombian foreign minister expressed surprise at this action, especially as there is an agreement between the Colombian and Venezuelan Armies [as published] to the effect that when one of their ships crosses into the waters of the other country in the border area, it should be told to turn back, rather than being boarded. Thus, it was the Venezuelans who violated Colombian territorial waters.

The Vikingos enterprise, which carries out fishing activities along the Colombian coasts, has repeatedly reported harrassment of its vessels and crewmen by Venezuelan warships.

35 KILLED IN ARMY, M-19 CLASHES IN POPAYAN

PA241653 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 24 Jan 86

[Text] Popayan -- At least 35 soldiers and guerrillas have died so far in the heavy fighting taking place in Cauca's northeastern mountains. An offensive supported by Air Force planes and troops of the Rifles, Palace, and Pichincha Battalions, as well as special antiguerrilla forces, has been launched to counter the subversives' actions.

The guerrillas, who have been clashing with the Army since Wednesday night, are under the command of top M-19 [19 April Movement] leaders Alvaro Fayad, Carlos Pizarro Leon-Gomez, (Marcos Chalija), and Gustavo Arias Londono.

TERRORIST PLAN DISCOVERED IN BUCARAMANGA

PA240423 Bogota Television Service in Spanish 0000 GMT 24 Jan 86

[Text] A plan to dynamite several administrative and military centers in order to disrupt the current electoral process has been discovered in Bucaramanga. Authorities have captured nine students from Indesco [not further identified] and the Industrial University of Santander who were in charge of the arsenal that would be used to isolate important sectors of the northern, southern, and central parts of Bucaramanga.

The 5th Brigade displayed the shotguns, rifles, revolvers, pistols, fragmentation grenades, and almost 30 bombs of varying destructive power with which they were planning to attack the mayor's office and administrative building in the downtown area, the Caldas and Ricaurte Battalions, the 5th Brigade headquarters, F-2 [Investigations Division], DAS [Administrative Department of Security], women's penitentiary, model jail, and 2 water storage tanks which serve 10,000 people in the southern part of Bucaramanga.

According to authorities, the plan was discovered when diagrams of all the installations they intended to blow up were found. These included the bridges over highways from Bucaramanga to Bogota and the northern coast. The plan included the theft of several vehicles that the terrorists would use to carry out these actions.

BRIEFS

NEW HEALTH MINISTER -- Efrain Otero Ruiz, former director of Colciencias [not further identified] will become the new health minister, replacing Rafael de Zubiria Gomez, who has been appointed mayor of Bogota. [Summary] [Bogota EL TIEMPO in Spanish 11 Jan 86 pp 1 A, 1 B PA]

FOREIGN INVESTMENTS DROP -- Bogota, 20 Jan (DPA) -- For the first time in 7 years foreign investments approved by the Colombian National Planning Department were lower than $100 million. According to a report issued by that office, total investments approved in 1985 totaled only $86 million, compared to $162.171 million approved in 1984. This represents a reduction of approximately 50 percent, bringing approved investments to their lowest level since 1978, when only $66 million were approved. [Excerpt] [Hamburg DPA in Spanish 1719 GMT 20 Jan 86 PA]

COCA PLANTS FOUND -- Tunja -- It has been reported here that a large police operation is taking place in the area between Pauna and Muzo, western Boyaca, where large coca plantations have been found. According to preliminary reports, at least 20 hectares in the rural area of Pauna and Muzo had been planted with approximately 200,000 coca plants. [Summary] [Bogota EL TIEMPO in Spanish 13 Jan 86 p 2 A PA]

INTERIOR MINISTRY SECRETARY GENERAL 'REMOVED'

PY241540 Asuncion EL DIARIO in Spanish 24 Jan 86 p 18

[Text] Jorge Arevalos has been removed as secretary general of the Interior Ministry. The government has appointed Ricardo Brugada Leochaga to replace him. Brugada has already been installed in his new position.

Interior Ministry officials responsible for the decision failed to give reasons for Arevalos' removal and said that there was a "justified excuse" for not giving these reasons.

Unofficial sources also said that other officials have also been removed and that they are reportedly under disciplinary arrest in the Interior Ministry facilities. No official information was available regarding the reasons for these dismissals.

INDUSTRY MINISTER LEAVES FOR HONDURAS, U.S.

PY251440 Asuncion PATRIA in Spanish 25 Jan 86 p 8

[Text] Industry and Commerce Minister Delfin Ugarte Centurion left for Honduras and the United States yesterday. In Tegucigalpa, Minister Ugarte will head the Paraguayan delegation representing our government at the inauguration of the new Honduran president.

The industry minister will then go to the United States, where his activities will be related to his chairmanship of the Inter-American Economic and Social Council. He will also contact OAS financial officials and meet with OAS Secretary General Joao Baena Soares.

Minister Ugarte hopes to reach agreements on technical and financial aid for the Paraguayan industrial development programs.

POLICE ORDER MOPOCO PRESIDENT TO SURRENDER

PY241630 Asuncion Radio Primero de Marzo in Spanish 1450 GMT 24 Jan 86

[Text] We have tried to contact Waldino Ramon Lovera, the current president of the National Accord [and president of the Colorado Popular Movement-Mopoco] but police units prevented reporters from this radio station from getting to the apartment of the opposition politician.

In view of this situation Fernando Vera, the president of the Febrerista Revolutionary Party, said:

[Begin recording] I was informed this morning that Waldino Ramon Lovera, who is the current president of the National Accord, is wanted by the police. Lovera is now in his apartment and police have ordered him to surrender. I understand that Lovera has no intention of surrendering to the police. This situation seems to indicate a new wave of repression, and I am not sure whether it is aimed against the National Accord or exclusively against the Mopoco. We will soon find out because it may also affect us. [end recording]

A few minutes later we were able to talk by phone with Waldino Ramon Lovera who confirmed that he was ordered to leave his apartment before noon.

[Begin Lovera recording] Yes indeed, this morning I was visited by four members of the Police Investigative Department who ordered me to leave the building by noon. When I asked the reasons for this and who ordered it, I was told that it was an order from high officials and that there was no warrant. I then asked for an official notification and was told that they did not have any.

One of the officers, who identified himself, is Rojas Arellano, a man I know because 2 years ago, when I tried to enter the country with Faustino Centurion it was Rojas Arellano who was in charge of the Ita Enramada Police Precinct, and who arrested us and returned us to Argentine territory. This is an arbitrary decision breaking up the initiative of dialogue sponsored by the Paraguayan Catholic Church.

This action is aimed at intimidating not only the Mopoco but also the National Accord. This is an attack against all parties. It is using repressive mechanisms in an effort to try to silence the Mopoco and the desires of national conciliation and dialogue sponsored by the National Accord.

I would like to take this opportunity to express my most energetic protest and to convey to the dictatorship that the Mopoco will continue firm in its struggle and that we are willing to run all kinds of risks in the defense of the good name of the glorious Colorado Party which the Mopoco is proud to represent before the entire country. [end recording]

In conclusion, Waldino Ramon Lovera, the current president of the National Accord and Mopoco, said: I will not leave my apartment unless a court order is presented.

Extend Arrest Deadline

PY241747 Asuncion Radio Primero de Marzo in Spanish 1505 GMT 24 Jan 86

[Relay by Yiyo Riveros]

[Text] It is now 1205, the noon deadline given Waldino Ramon Lovera to leave his apartment has now passed. However, we have unofficially learned that the police have extended the deadline. Therefore, the police have not arrested Lovera, who lives on the ninth floor of a building located across from the Plaza Uruguaya.

So far there has been no arrest. However, none of the Colorado Popular Movement [Mopoco] members who came to Lovera's apartment were unable to get in to see him. They were told by the police that they could not enter the apartment, but that Waldino Lovera could leave if he so desired. However, we do not know if he will be allowed to return once he leaves his apartment.

Let me point out that some Mopoco members living in Uruguay have come here. This is the case of Luis Medina who came to attend a Mopoco plenum scheduled to meet from 25 to 26 January. The plenum will study the current political activities. There is still no information about the decision of the Mopoco leaders will make regarding Mopoco President Waldino Ramon Lovera's situation.

Some Mopoco members have unofficially reported that despite this situation the plenum will open tomorrow and close on 26 January. In conclusion, Waldino Ramon Lovera has not yet been arrested.

Situation Turns Violent

PY251703 Paris AFP in Spanish 1619 GMT 25 Jan 86

[Text] Asuncion, 25 Jan (AFP) -- About 20 people were bruised and two injured last night during a police repression against almost 50 leaders of Mopoco. The confrontation occurred when the Mopoco members tried to enter the home of a party member for a meeting of the dissident wing of the government party. Mopoco President Waldino Ramon Lovera, who is also president of the opposition National Accord, was among those beaten by the Paraguayan political police.

Lovera told AFP today that the leaders had gone to the home of Julio Cesar Vasconcellos, a Mopoco member, where they had planned to hold a Mopoco plenary meeting with the participation of delegates living in Argentina, Brazil, and Uruguay. The politicians found approximately 50 uniformed and plainclothes policemen cordoning off the house. When more of their personnel arrived the police started to pursue the opposition politicians with pistols and electric truncheons to disperse them.

Lovera said that during the repression he had been beaten all over his body and charged that the political police vented their spite on the leader Emilio Reinal, who lives in Brazil. He had to be taken immediately to the First Aid Hospital to be treated for cuts on the head and all over his body.

Mrs Sarah Vasconsellos the host's wife, was brutally beaten when she attempted to mediate.

Yesterday police personnel ordered Lovera to leave his residence, but he ignored the order. Later, the nearly 20-man police task force withdrew from Lovera's building but ordered him not to receive any of his party members.

The Mopoco leader identified senior police officer Arellano as head of the repressive police task force.

Lovera said: He is the same officer who turned me over to the Argentine authorities when I attempted to return to the country 2 years ago.

Lovera added that Jose Zacarias Arza and Angel Florentin Pena, a former agriculture minister, are among those injured by the police repressive action.

In a statement to AFP, Lovera described the police action as arbitrary and noted that it reflects the chaotic reign of terror used by the dictatorship to stay in power for 31 years.

Lovera added that the government is obviously seeking to block the democratization effort promoted by the National Accord through the mediation of the Catholic Church.

National Accord Issues Communique

PY260136 Buenos Aires DYN in Spanish 2305 GMT 26 Jan 86

[Text] Buenos Aires, 25 Jan (DYN) -- Political leaders in exile living in Argentina today reported in this capital that approximately 50 members of Mopoco were attacked in Asuncion when they were about to begin a plenary meeting.

Mopoco and the National Accord issued a communique signed by Miguel Angel Gonzalez Casabianca, Mopoco secretary for international affairs, denouncing the outrage.

According to the communique, police officers and specially hired henchmen brutally attacked the politicians who had gathered at a residence in Asuncion at 1030 this morning.

When the politicians went to the building, they were surrounded by more than 50 uniformed policemen, and while they were talking with police authorities, three automobiles approached with 20 plainclothesmen armed with electric truncheons who beat up the politicians, the communique stated.

It went on to say that in view of this "violent regression," the Mopoco militants went to another place, "where police harassment continued, they were again attacked, and a few more of them were injured."

As a result of the repression, Waldino Lovera, president of the Mopoco and of the National Accord, and Emilio Rey, secretary for labor union affairs, were seriously injured and had to be taken to a hospital, while 25 other militants sustained abrasions and injuries.

The politicians living in Argentina stated that this "new display of violence by General Alfredo Stroessner's dictatorship is the crowning act of the systematic harassment and restriction of Mopoco members who ever since their return to Paraguay after almost 25 years in exile have been the target of continuous police surveillance and repeated violations of their own and their relatives' freedom and security."

The exiles' communique also indicated that "the violence unleashed by Stroessner's dictatorship is the reaction to the decision of the Episcopal Conference of the Paraguayan Catholic Church to act as the go-between for a national dialogue aimed at reconciliation in the quest for a democratic opening."

The Mopoco and National Accord communique concludes by appealing "to the democratic awareness of fraternal Latin American peoples to firmly support the struggle of the Paraguayan people for the recovery of their freedom by implementing a policy of isolation and punishment."

GARCIA REAFFIRMS SOLIDARITY WITH NICARAGUA

PY251141 Madrid EFE in Spanish 0152 GMT 25 Jan 86

[Text] Lima, 24 Jan (EFE) -- It was reported in Lima today that during his meeting with Nicaraguan Ambassador to Peru Mauricio Cuadra, Peruvian President Alan Garcia reaffirmed his "total and militant solidarity with the Sandinist revolution." Deputy Carlos Roca, chairman of the foreign relations committee of the Chamber of Deputies, who went to Government House to say farewell to Garcia before departing on a tour through Italy, France, and Spain on 25 January, revealed the details of the meeting between the president and the Nicaraguan ambassador.

Roca explained that the president told Cuadra that Peru wants to continue cooperating with Nicaragua. Roca went on to say that "we are aware that Nicaragua is currently the victim of North American imperialism, that it is under a blockade, and there is a desire to somehow smother the revolutionary effort of the Nicaraguan people."

"President Garcia has reaffirmed his solidarity with Sandinist Nicaragua," the deputy emphasized. He added that as the leader of the social democratic American Popular Revolutionary Alliance, APRA, Garcia has agreed to send an APRA delegation "of the highest level" to the meeting of parties friendly with the Sandinist National Liberation Front that will take place in Managua.

GARCIA LAUDS PEACE COMMISSION, RAPS TERRORISTS

PY251744 Lima Panamericana Television Network in Spanish 0200 GMT 25 Jan 86

[From the "24 Hours" program]

[Text] President Alan Garcia today made it clear that the government will fight violence to the end and noted that a few dozen or hundreds of misguided people will not make him resort to brutal actions. President Garcia was thus referring to recent terrorist attacks reported in Lima and other Peruvian cities. In remarks to Radioprogramas del Peru, the president reaffirmed his full confidence in the members of the Peace Commission for having shown calmness and wisdom.

[Begin Garcia recording] In the first place, the members of the Peace Commission have not resigned. As they themselves said, they simply placed their positions at my disposal to give me and the executive branch the freedom to decide whether or not they should continue their work. Secondly, even if the Peace Commission members resigned, I would not relinquish either peace or a very important institution that represents beyond legal and constitutional provisions the government's decision to effectively address the wave of violence we are experiencing.

Thirdly, I believe those commentators and critics who contend that the Peace Commission has not fulfilled its mission are mistaken. The Peace Commission is part of the presidential pacification policy. I believe we have obtained important results during the past few months because no excesses have been committed and the government has not, as it did in the past, undertaken repulsive or condemnable actions. If violence is being used, it does not come from the government but from subversive groups, which are resorting to brutal violence. This is an extremely important fact because one cannot respond to brutal actions with brutal actions.

Moreover, based on recommendations by the Peace Commission, the government has taken legal actions in court regarding some people who were unjustly detained. Thus, for the first time, the government has taken steps to obtain the release of 160 people listed by the Commission. This list was endorsed by [United Left leader and Lima mayor] Alfonso Barrantes. Dozens of people on this list have already been released, and more than 100 have obtained favorable opinions from prosecutors stating that there is no evidence supporting their detention. Thus, these people will be released as soon as a brief court procedure is completed. In the opinion of the Peace Commission, these people are not terrorists and judges and prosecutors are reaching the same conclusion.

Furthermore, the Peace Commission was instrumental in allowing international organizations to enter the emergency zone. Not even the Red Cross could do so in the past. As we said earlier, the Red Cross can now freely confirm that no torture or executions are taking place in our country. Therefore, we should make it quite clear that the Peace Commission has indeed fulfilled a very important mission as a permanent advisory body that plays a soul-searching role for the government. We should not be impatient regarding a long-standing problem such as violence, which stems from the intolerance and misguidance of some people. The Commission has helped us change substantially government's modus operandi, to the point that the executive branch itself has requested that the judicial branch order the release of some people. We hope the judicial branch will do so.

We would also like to briefly state that the Peace Commission has helped us make the world aware of the fact that we are not violating human rights here. This does not mean, however, that we are taking a weak stand toward terrorism, which we will continue to fight and condemn. Consequently, I wish to convey my gratitude to the members of the Peace Commission for having placed their positions at my disposal. We have just had a long meeting to evaluate future actions by the Commission, which I repeat has not resigned, because no one can relinquish his efforts to promote peace, let alone the president. I will not give up my efforts to promote peace and those misguided people will have to either pointlessly persist in their errors or correct their attitude. Democracy will prevail as an instrument of change, and we are going to prove to them that we can change society to promote justice, and to provide well-being to our people, without resorting to murder and without using undernourished, helpless, unarmed mobs as cannon fodder against government forces, as they have done. [end recording]

Commission Members Comment

PY241646 Lima Panamericana Television Network in Spanish 0200 GMT 24 Jan 86

[Unidentified members of Peace Commission grant press conference to unidentified reporters after presidential meeting at Government House in Lima]

[Excerpts] The members of the Peace Commission tonight explained that they have not resigned but have placed their resignations at the disposal of the president who is evaluating a reorganization of the Commission. The members of the Commission today held a meeting with President Alan Garcia.

[Begin recording] [question indistinct]

[Answer] We held an extensive meeting during which we exchanged several points of view. The president is evaluating the work of the Commission. He will address the public within a few days and explain something in this regard.

[Question] Has the president accepted the resignations?

[Answer] He is studying the situation. We must be very clear in that we have not resigned. We have offered to resign. There is an important difference between these two actions. We have not resigned. We have placed ourselves at the disposal of the president.

[Question] Have you done this because the Commission has not received political support from the government?

[Answer] Well, we wanted to leave the president free to reorganize the Commission if he believes this is convenient, or to eventually either confirm the members of the Commission or appoint new members.

[Question] Have you been able to work in those areas in which you wished to work?

[Answer] I believe so. The Commission has continuously been making a series of recommendations and guiding the authorities on the enforcement of certain measures which have been implemented.

We have put our resignations at the disposal of the president because we have made a series of recommendations about the structure of the Commission and certain guidelines that must be adopted by the Commission. This is the conclusion of 4 months of work [word indistinct] during which we have learned a lot. Our work has been quite fruitful in establishing the guidelines that must be adopted by the Peace Commission. [end recording]

New Commission Planned

PY241751 Lima Radio del Pacifico in Spanish 1200 GMT 24 Jan 86

[Text] APRA [American Popular Revolutionary Movement] Deputy Alberto Valencia yesterday noted that a new Peace Commission will be established. According to Valencia the members of the new Commission, which will replace the resigning Peace Commission, will be appointed on the basis of representativity. Regarding the resignation of the Commission members who inferred a lack of government support, Valencia said that this is logical since unfortunately the Commission did not fulfill its objective. He noted that the new Commission will be organized by himself with the support of the president and that it will be made up of people representing vast national sectors.

The Justice Ministry yesterday rejected the charges raised by Diego Garcia Sayan, resigning member of the Commission, who said that the Justice Ministry joined others in not supporting the task of the Commission. Regarding the reasons that caused the resignation of the members of the Commission, a Justice Ministry spokesman said that Garcia's charges about the ministry's attitude is unjust, and described Garcia's statement as thoughtless. The Justice Ministry spokesman, Cesar Campos Leon, telephoned local newspapers, among them EXPRESSO, to note that since they were aware of the responsibility of its task, the ministry never refused to support the Commission's activities.

CONGRESS, PRESIDENT DISAGREE OVER BUDGET

PY240228 Madrid EFE in Spanish 0858 GMT 23 Jan 86

[By Alberto Pepe Leira]

[Text] Montevideo, 23 Jan (EFE) -- After vetoing the first Congress-approved budget since 1972, the government of Julio Maria Sanguinetti is at odds with Congress. It is also confronting labor unions over its decision on the next salary increase.

Since the progovernment Colorado Party does not have an absolute majority in the 130-seat Congress, the budget was approved with the votes of the opposition. The executive branch has objected to 55 articles of the Congress-approved budget because the budget does not provide for adequate financing and, therefore, its execution may generate uncontrolled inflation. The executive branch's original budget had a deficit of $120 million, and Congress increased it by 16 billion pesos, about $125,984,250.

The opposition does not have sufficient votes in Congress to overrule the executive branch's veto. This constitutionally requires the vote of three-fifths of the members of Congress; that is, 78 votes. However, the government does not have the 65 plus 1 vote majority needed to approve the budget, either. So, Uruguay might end up without a democratically-approved budget and have to implement the budget established by the military regime, which apportioned 43 percent of expenditures to national defense and police requirements.

Sources close to the government feel that a high-level political agreement might be reached with the opposition leaders Wilson Ferreira Aldunate of the Blanco Party and Liber Seregni of the Broad Front Coalition.

President Sanguinetti also has problems with the country's largest labor organization, the Interunion Plenum and Workers' National Convention (PIT-CNT), which has just objected to the procedure of establishing salaries by administrative resolution. The labor leaders have met with Labor Minister Hugo Fernandez Faingold to express their objection to the government's decision to grant across-the-board salary readjustments by decree, without convening the sectorial salary councils.

The spokesmen for the PIT-CNT said that although no resolution has been adopted, "a 24-hour general stoppage cannot be discarded" in a future plan of mobilization to protest the measure. The PIT-CNT expressed concern "for the return to the dictatorship's system of establishing salaries by decree."

President Sanguinetti convened three salary councils in 1 year.

Minister Fernandez Faingold said that the rejection of the procedure by the PIT-CNT does not mean the workers organization will walk out of the High Salary Council. The labor minister said that the government is considering modernizing salary legislation, which dates back to 1943 and is totally inadequate for a period of inflation.

Under a decree by the Sanguinetti government, the "salary council" must convene three times a year, not just once as dictated by the law.

These meetings must be more frequent in view of the inflationary process, whose index was 83.03 percent last year.

While it is studying the new system, the government announced that salary readjustment will be established by decree, without convening the councils. The workers' through their organization, asserted that this procedure "curtails the gains the unions have made" after the return to democracy.

Minister Fernandez Faingold said that 1985 had been the year of the salary recovery, which, according to ECLA, was the highest in Latin America with 12.06 percent.

The minister also said that in the next 18 months, the government will seek to consolidate the level of salaries and to reduce the current 12.71-percent unemployment rate.

PRESIDENT SEEKS BROAD NATIONAL AGREEMENT

PY240225 Montevideo Radio Carve in Spanish 0000 GMT 24 Jan 86

[Excerpts] The government has made its first contacts with the opposition to establish the bases for a national agreement. President Julio Maria Sanguinetti today met at the Libertad building with Civic Union Executive Board President Humberto Ciganda and Broad Front leader General Liber Seregni. This was the first phase of negotiations aimed at interparty and intersector agreements on political, economic, social, and labor issues.

The meeting between Ciganda and Sanguinetti took place in the morning and the political leader explained later that it served to evaluate the accomplishments of 1985 and to develop future strategy.

Asked for further details of the agreement that the government is proposing, Ciganda stated that it encompasses several issues but basically its purpose is to strengthen and reaffirm the institutional system.

Sanguinetti also met with Broad Front leader Liber Seregni who at the end of the meeting, which took place on the seventh floor of the presidential building, said that this meeting allowed them to pick up the conversation which was suspended shortly before the end of the year for lack of time.

Seregni said that during the talks, he insisted on the need to look for solutions to the crisis that is plaguing the country. Asked about the differences between government and opposition. Seregni said that the main problem is that there are disagreements on how to tackle the economic problem.

Discusses Modernization Plan

PY250133 Montevideo Radio Carve in Spanish 0000 GMT 25 Jan 86

[Relay from Government House by Luis Suarez Silvera]

[Excerpt] Taking into consideration Uruguay's present situation, the government believes it indispensable to create an atmosphere of domestic stability capable of fostering investments. This conclusion was reached during the high-level meeting that President Julio Maria Sanguinetti held today with several members of his Cabinet and Colorado Party lawmakers.

At the end of the meeting, which took place at the Libertad building and lasted almost 3 hours, the Presidential Press Secretariat released a communique stating that the president proposed a 3-year program within two goals: the institutional consolidation of the country to protect it from destabilizing factors that were apparent this year and the implementation of a plan for social and economic modernization capable of updating the social and economic structure of the nation within the limits prescribed by the worldwide crisis.

During the meeting, the president also reported on the political initiative that he has launched, namely his talks with Broad Front leader Liber Seregni and Humberto Ciganda of the Civic Union. According to the communique these contacts will continue in the near future.

FOREIGN MINISTER LEAVES FOR UK, ISRAEL, EGYPT

PY252324 Madrid EFE in Spanish 1539 GMT 25 Jan 86

[Text] Montevideo, 25 Jan (EFE) -- Foreign Minister Enrique Iglesias today left for London, where he will begin a tour that will also include Israel, Spain, Algeria, and Egypt. According to the Foreign Ministry, Iglesias will deliver a lecture at an international symposium on debt and development that will be held in London under the sponsorship of the HERALD TRIBUNE and the IDB.

The same source said that among the lecturers are Venezuelan Finance Minister Manuel Aspurua, Brazilian Central Bank President Fernando Bracher, former Mexican Finance Minister Jesus Silva, and former Peruvian Prime Minister Manuel Ulloa.

The foreign minister's lecture is entitled "Beyond the Debt Crisis; Latin America in the Next 10 Years."

Iglesias will then travel to Barcelona, where he will meet regional authorities. He will then travel to Israel, where he will join Vice President Enrique Tarigo, who will be visiting that country. In Israel, Iglesias, who was invited by the World Jewish Congress, will lecture on "the Third World's foreign debt."

The foreign minister will then travel to Algeria, where he will promote bilateral trade and support a special mission that is now in that country.

The last leg of the foreign minister's tour takes him to Egypt, where in response to an invitation from the Egyptian foreign minister, he will make the arrangements for the upcoming visit of President Julio Maria Sanguinetti.

During his stay in Cairo, Iglesias will meet President Husni Mubarak.

DELEGATION TO AZCONA INAUGURATION ANNOUNCED

PA260240 Caracas Television Service in Spanish 0000 GMT 25 Jan 86

[Excerpts] Contadora Group foreign ministers and their Support Group counterparts will meet again on Monday in Tegucigalpa, Honduras on the occasion of the inauguration of Honduran President Jose Azcona del Hoyo.

[Begin recorded report by Martin Pacheco] That report was confirmed today at the Yellow House where the members of the delegation that will travel to the inauguration of President Azcona del Hoyo were announced. The group will be headed by Foreign Minister Dr Simon Alberto Consalvi. Other members include Ruben Carpio Castillo, president of the Senate Foreign Policy Commission; Oswaldo Alvarez Paz, president of the Chamber of Deputies Foreign Policy Commission,; Jose Rodriguez Iturbe, secretary of COPEI International Affairs Commission; Armed Forces representatives; and Dionisio Marcano, the Venezuelan ambassador in Tegucigalpa.

This new meeting of the negotiating group will help further the exploration of agreement areas toward the definitive signing of a peace document for Central America. Dr Consalvi was questioned by reporters on the position maintained by Nicaraguan contras, which according to some experts, clashes with Contadora principles.

[Begin recording] [Unindentified reporter] Doesn't the presence of contras in Venezuela contradict the spirit of Contadora?

[Consalvi] Venezuela is a democratic country; it is open to and imposes no restrictions on those who wish to express their viewpoints. Therefore, I see no contradiction in their presence in Venezuela. [end recording]

Guatemalan President Vinicio Cerezo is expected to visit Caracas to discuss peace plans for Central America. This was a report from the Yellow House, Martin Pacheco, "The News" newscast. [end recorded report]

MEXICAN ENERGY SECRETARY ARRIVES ON VISIT

PA260100 Caracas Television Service in Spanish 0000 GMT 25 Jan 86

[Text] Francisco Labastida, Mexican secretary of energy, mines, and parastatal industry, arrived this afternoon in our country to exchange views on the oil market with his Venezuelan counterpart Arturo Hernandez Grisanti and Venezuelan Petroleum, Inc. officials.

[Begin recorded report by Carlos Fernandes] Labastida told newsmen that the main objective of his visit is to review the current oil market situation. He was undoubtedly very discreet. Nevertheless, he admitted that the situation is very difficult, which is why he is visiting.

There were various questions asked. One of them referred to the strong possibility that Mexico will reduce the price of its oil. Without dwelling much on the confidential aspects of the issue, Labastida admitted that possibility -- at least that is what we surmised from his answer.

[Begin recording] [Fernandes] International dispatches continuously insist that Mexico, in the face of the situation in the international oil market, will reduce the price of its oil.

[Labastida] Well, the general applies to the individual. The price of petroleum has already dropped. If one wishes to sell in the current disorderly, low price market, if one needs to obtain revenues, then one must adjust prices. [end recording]

Responding to questions by reporters, the Mexican secretary added that talks with Venezuelan officials will also aim to step up the exchange of ideas in the face of the international oil market situation.

On his part, Arturo Hernandez Grisanti, minister of energy and mines, was even more discreet than his Mexican counterpart. Nevertheless, he did not abstain from commenting on the current situation in the international oil market. [end recorded report]

NEW INTERIOR MINISTRY OFFICIALS APPOINTED

PA171538 Caracas Television Service in Spanish 0000 GMT 17 Jan 86

[Text] As of today, William Davila Barrios is the new deputy interior affairs minister. Davila Barrios was sworn in by Interior Affairs Minister Octavio Lepage. During the same ceremony, Pedro Guillermo de Leon was sworn in as the new identification and alien affairs [identificacion y extranjeria] director. The following is a report by Martin Pacheco.

[Begin recording] [Pacheco] According to Minister Octavio Lepage, this event is part of the ministry's reorganization process. The ministry's directors all resigned from their offices to facilitate Minister Lepage's task, which includes removals, replacements, and transfers from one office to another. Also sworn in during the same ceremony were: Domingo de Alessandro, weapons and explosives director; and Luis Eduardo Brizuela, alien control [control de extranjeros] director.

According to Minister Lepage, the dynamic policy and the need to promote a greater dynamism among his officials were the reasons that President Jaime Lusinchi gave in approving these appointments.

[Lepage] Yesterday, in a gesture that I appreciate, the directors presented their resignations. For the time being, and with the approval of the president of the Republic, I have made these four appointments.

[Pacheco] For the new deputy internal affairs minister, his new duties are a challenge that he will try to fulfill with the same willingness and desire to satisfy the great national aspirations.

[Davila] It is a commitment so that the generation I am a part of will fulfill its role in this country that needs so much of us.

[Pacheco] Of great significance is the fact that many young people were appointed to the Interior Affairs Ministry's directorate. These new appointments will permit important contacts with all government offices to facilitate the work to be done and which are part of the campaign promises made by President Jaime Lusinchi. [end recording]

THREE LIBYAN TERRORISTS PLAN 'TO ENTER' U.S.

PA241841 Madrid EFE in Spanish 1653 GMT 24 Jan 86

[Text] Mexico City, 24 Jan (EFE) -- Agents of Interpol-Mexico are looking for three Libyan terrorists who are believed to be in Chihuahua State in northern Mexico, the newspaper EXCELSIOR reported today.

According to the newspaper, the terrorists are planning to enter the United States through the border crossing at Ciudad Juarez, and their presence in the country has been proven.

EXCELSIOR cited sources close to the Government Secretariat who displayed the files of the three Libyans, two of whom actively participated in the terrorist attack at the Beirut airport on 14 June 1985.

According to the sources, the Libyan terrorists are Hamad Mohammad, who speaks English and Arabic and whose age has not been determined; Buslin 'Ammar Mansur, hijacker and suspected leader of the group; and 'Izz al-Din Hasan, known as "sa'id" and one of the terrorists most sought by the international police forces.

They indicated that the three Libyans entered Mexico on a TWA flight and that they subsequently traveled to northern Mexico.

ENERGY MINISTER REMARKS ON WORLD OIL CRISIS

PA242027 Mexico City XEW Television Network in Spanish 1300 GMT 24 Jan 86

[Text] Francisco Labastida Ochoa, secretary of energy, mines and parastatal industry, will arrive in Caracas today where he will hold talks with Venezuelan authorities regarding the crisis on the international oil market. Labastida Ochoa will meet with Arturo Hernandez Grisanti, Venezuelan minister of energy and mines, and with executives of Petroven.

During President De la Madrid's tour of Michoacan yesterday, Labastida Ochoa said that the highly industrialized countries are responsible for the problem that the international market is experiencing. Labastida reiterated that by the end of January, Mexico will announce the new mechanisms that will be introduced to try to bring order to the international hydrocarbons market.

When asked about the usefulness of OPEC during this period of instability in the oil market, Labastida replied: I think OPEC has reduced its participation in the international market from two-thirds of its exports to one-third. Consequently, its capacity to control the entire process has also been reduced. Therefore, it is necessary for other countries to cooperate to solve the oil problem.

Labastida Ochoa also said that he is planning to initiate the second phase of the Lazaro Cardenas Iron and Steel Complex located in Las Truchas, Michoacan.

To Meet Venezuelan Counterpart

FL241752 Mexico City NOTIMEX in Spanish 1720 GMT 24 Jan 86

[Text] Mexico City, 24 Jan (NOTIMEX) -- Today, Energy, Mines and Parastatal Industry Secretary Francisco Labastida Ochoa traveled to Caracas, Venezuela, where he will discuss with his Venezuelan counterpart Arturo Hernandez Grisanti the recent changes of the international oil market.

Likewise, he will hold talks with executives of the state-run oil firm in Venezuela to examine the short-term perspectives of the world oil crisis. The talks will begin today in Caracas. The Mexican official is expected to arrive there after 1700 Mexican time [words indistinct] in order to maintain the stability of the international oil market.

Labastida Ochoa is travelling in a Grumman aircraft owned by Pemex.

ENVOY SAYS FOREIGN POLICY MUST NOT CHANGE

FL250354 Mexico City NOTIMEX in Spanish 0130 GMT 25 Jan 86

[Text] Mexico City, 24 Jan (NOTIMEX) -- Mexican foreign policy cannot and must not change because of foreign pressure because it is based on unchanging principles such as nonintervention and the self-determination of the peoples. These concepts were expressed by Mexican Ambassador to Cuba Enrique Olivares Santana, who arrived today in this capital to converse with high officials of the Secretariat of Foreign Relations regarding bilateral relations between the two countries.

When he was interviewed at Mexico City International Airport, the diplomat underscored the fact that the basic principles of our foreign policy have deep historical roots and a great natural consensus that will not vary because of internal domestic problems. He said that these principles impede any variation in our pacifist positions on nonintervention and sovereignty even if they sometimes do not coincide with those of other nations. He said that when the Mexican Government has criticized and condemned military intervention, it has done so based on these principles.

Speaking of the Central American problem, Olivares Santana expressed hope that this year peace will be achieved in the region that will bring about development and well-being for those nations.

Cuba Not 'Source of Conflict'

FL251950 Mexico City NOTIMEX in Spanish 1642 GMT 25 Jan 86

[Text] Mexico City, 25 Jan (NOTIMEX) -- Mexican Ambassador to Cuba Enrique Olivares Santana has said that Mexico's foreign policy is inalterable in respect to world peace, nonintervention, and defense of the sovereignty of states. Olivares Santana also said that Cuba is not a source of conflict for Central America and that it does not intervene in Central American affairs as the Contadora and Support Groups have accused.

The ambassador stated that there should be respect, support, and equality between the states to achieve economic advancement and Latin American tranquility by promoting a clear understanding and political organization of the regional countries. He said peace in Central America is in danger but an effort is being made to preserve it since it is necessary and advisable.

In reference to Cuba, Olivares Santana, who acted as Mexican interior secretary, said this country is not a source of conflict for Central America and added that the proof is Cuban President Fidel Castro Ruz' favorable acceptance of the Caraballeda, Venezuela agreement, which supports the peaceful intentions of the Contadora Group.

The Mexican ambassador to Cuba said diplomatic relations between the United States and Mexico will continue to be friendly and cooperative.

U.S. CONGRESSMEN, DELVALLE DISCUSS CANAL ISSUES

PA260338 Panama City MATUTINO in Spanish 25 Jan 86 pp 1 A, 8 A

[By Roberto R. Rodriguez]

[Text] U.S. congressman from Washington State, Michael Lowry, affirmed that the Panama Canal "is protected and we will continue to protect it," implying that the defense, security, and protection of the waterway is an issue that concerns the professionals (meaning the U.S. and Panamanian military).

Judging by his statements, Congressman Lowry is not worried about security because there is an existing joint defense and security program by Panama and the United States.

The U.S. congressman and six other colleagues from that northern country met yesterday afternoon with President Eric Delvalle and talked about the obligations of the civilian part, concerning the Canal Commission, the waterway's future stability, its operation and progress, and issues related to all other activities under way in one of the biggest achievements of man's creativeness.

Michael Lowry is the chairman of the U.S. Congress Panama Canal subcommittee and of the Merchant Marine and Fisheries Committee. He will remain in Panama until Monday, when he and his colleagues will conclude their tour. An open meeting has been scheduled for that day with Panamanian legislators, particularly members of the Panama Canal Affairs Committee.

At the end of their meeting with President Delvalle at the Presidential Palace, Lowry said he was impressed by the democratic way the Panamanian chief of state is leading the country.

"I am pleased with his work," he said commenting that his country (United States) will continue working to guarantee democratic stability, and to strengthen the relations between the two countries, mainly to guarantee the control by Panamanians of the canal by the year 2000.

Delvalle and the U.S. congressmen exchanged information on the democratization of Panama, bilateral relations, the execution of the Torrijos-Carter Treaties, the handling of the canal, the Panamanian workers' stability in the canal area, and the foreign debt.

"It was a good meeting," Lowry noted. He was accompanied by members of the U.S. Embassy and the administrator of the canal, Dennis McAuliffe.

Yesterday morning, the U.S. Congress group met with the Panama Canal administrators, who briefed them on the Panamanian complaints about the Murphy Law, the future of the canal, its handling and operation, and the growing participation of Panamanians.

According to Lowry, the report submitted by McAuliffe and Manfredo was good, and as to the growing participation, he commented that the Panamanians should know that after the year 2000, their jobs are not threatened in any way.

The U.S. Congressional delegation headed by Lowry also included Dennis Hertel of Michigan, Tomas Manton of New York, Webb Franklin of Mississippi, Silvio Conte of Massachusetts, Lawrence Coughlin of Pennsylvania, and Jose Skeen of New Mexico.

VICE PRESIDENT HEADS DELEGATION TO HONDURAS

PA260405 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Jan 86 pp 1 A, 16 A

[Excerpt] The vice president of the Republic, Dr Roderick Esquivel, heads the official delegation that will represent the Panamanian Government at the presidential inauguration in the sister Republic of Honduras on 27 January.

The delegation will depart on Sunday at 1000 from the Panamanian Air Force terminal. It is made up of His Excellency Dr Jorge Abadia Arias, foreign relations minister; Lieutenant Colonel Ricardo Garibaldo Figueroa, G-1 of the General Staff of the Defense Forces; Luis Arrieta Aleman, general director of protocol and official ceremonies; Deus Navarro, charge d'affaires of the Panamanian Embassy in Honduras; and the Honorable Rodrigo Esquivel Klein. Journalists Luis Estribi and Carlos Acevedo of the Information Office of the Presidency will cover the event.

PRD REJECTS MILITARY ROLE IN CENTRAL AMERICA

PA240421 Panama City ACAN in Spanish 0130 GMT 24 Jan 86

[Excerpts] Panama City, 23 Jan (ACAN-EFE) -- The leader of the largest political party in Panama today said that his group will not support a possible Panamanian military role in Central America as a result of U.S. pressure.

Romulo Escobar Bethancourt, top leader of the ruling Democratic Revolutionary Party (PRD), said, however, that recently there has been no pressure by the United States for Panama to become involved in a military intervention in Central America.

"The PRD," Bethancourt added, "will at no time support any Panamanian military involvement in any military action against our Central America brothers."

"We are accustomed to the constant pressure, threats, and suggestions by certain U.S. sectors. This is nothing new to us," the PRD leader said during a press conference held at the party's headquarters.

"The PRD is opposed to stepping up the war in Central America; it supports and pressures the government to increase its efforts to strengthen the Contadora Group; and it has supported, and will continue to support, the National Defense Forces' efforts in Central America."

Bethancourt recalled that General Manuel Antonio Noriega, chief of the Pananmanian National Defense Forces, "has met with Honduran, Nicaraguan, and Salvadoran leaders in an attempt to get the Central American military men to join in the search for a peaceful solution for the area."

Bethancourt called the press conference to announce the reorganization of the top directors of the largest party backing the government led by President Eric Arturo Delvalle.

Economic Commission Formed

PA241925 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Jan 86 pp 1 A, 14 A

[Article by Claudio Herrera J.]

[Excerpts] Announcing important appointments within the Democratic Revolutionary Party (PRD) structure yesterday Dr Romulo Escobar Bethancourt told the national and international press that "it is not true that there is an attempt to create a national situation that will pave the way for the creation of a government junta."

At a press conference held at the PRD headquarters -- located in the Villa Lilla residential area in Panama City's San Francisco corregimiento -- yesterday, the experienced politician also referred to the recently concluded strike by public employees, as well as to the PRD leadership's position concerning the foreign debt problem and other topics.

Asked about the country's situation, Escobar Bethancourt maintained that the PRD, through the National Executive Committee, sent a letter to the president stating its position regarding "the country's economic-political problem."

Following this letter and meetings held with the president, a commission made up of PRD members was appointed. This commission, together with those appointed by the other parties that make up the Democratic National Union (UNADE), "are conducting studies on the different areas that the PRD views as basic in order to face the country's economic situation," Escobar Bethancourt added.

The PRD president rejected the effort to label the commitments the national government may make with the IMF as a letter of intent. "This gives the idea that our country is submissive to international (credit) organizations."

Expanding on this topic, he said that "simply, what is being done is that the national government is seriously analyzing the economic and foreign debt problems, and is deciding what measures to take in this regard."

Although he admitted that an understanding must be reached with international credit organizations, Escobar Bethancourt noted that "this must be done within the framework of the protection of national interests, the country's dignity, and the defense of our sovereignty."

He said that there is not now and there has never been any intention to establish a government junta and attributed this information to "rumors spread by the opposition."

COSTA RICA

SANDINIST ARMY BORDER ATTACKS PROTESTED

PA250336 Hamburg DPA in Spanish 0012 GMT 25 Jan 86

[Text] San Jose, 24 Jan (DP) -- Costa Rica today denounced armed attacks by the Sandinist Army in the border area with Nicaragua. The Costa Rican Foreign Ministry has sent an official protest note to the Nicaraguan Government noting that "Sandinist Army forces attacked Costa Rican territory in the area of La Cruz last 13 January." According to the Foreign Ministry, "This is a new violation of the sovereignty and territorial integrity of Costa Rica." The Foreign Ministry notes in conclusion that it "presents its most energetic protest to the Nicaraguan Government and urges it to put an end to its attacks on Costa Rica's border area."

In separate notes, the Foreign Ministry rejects Nicaragua's charges that "mercenary forces in Costa Rican territory attack Nicaragua from here." The Nicaraguan Government had sent two protest notes on alleged armed attacks from Costa Rica.

EL SALVADOR

REACTION TO DUARTE AUSTERITY MEASURES UNFAVORABLE

PCN: U.S., IMF Forced Measures

PA250445 Panama City ACAN in Spanish 1852 GMT 24 Jan 86

[By Pablo Antonio Ayala]

[Excerpts] San Salvador, 24 Jan (ACAN-EFE) -- The conservative National Conciliation Party [PCN] opposes the economic program decreed by the government and claims that the currency devaluation was imposed by the United States and the IMF.

PCN Secretary General Hugo Carrillo, who is also vice president of the Legislative Assembly, said last night in a television program that the devaluation of the Salvadoran currency was ordered by Washington as part of a plan that also includes Guatemala and Honduras. According to Carrillo, this imposition by the Americans "is a mistake because, instead of putting the country afloat, the devaluation of the currency will sink it even further," as such measures have caused "grave problems" to developed countries before. According to Carrillo, the PCN is convinced that instead of benefitting the people, all the measures adopted by the Christian Democratic government will damage it, especially devaluation of the currency.

Rejected by Opposition Deputies

PA261445 San Salvador DIARIO LATINO in Spanish 24 Jan 86 p 19

[Text] All the deputies of the opposition parties voted against the economic measures plan drafted by the Executive Branch. The plan has been called a packaged swindle and it was approved yesterday by only 33 Christian Democratic Party [PDC] deputies.

The opposition deputies were very clear when stating that the current government is a regime of imposition, does not pay attention to the suggestions of the various sectors, and implements measures that are harmful to the national economy in general. The PDC deputies were criticized for being blind servants of their party and for not serving the people who voted for them. They raise their hands to approve something without thinking of its regrettable implications.

During yesterday's plenary session there were long and heated debates among the deputies; however, despite their many protests, the opposition deputies were not able to change the minds of the 33 PDC deputies.

Once again Rene Fortin Magana, an independent deputy; Ricardo Alvarenga Valdivieso; Armando Calderon Sol; ARENA's [Nationalist Republican Alliance] Major Roberto D'Aubuisson; and PAISA's [Salvadoran Authentic Institutional Party] Roberto Escobar Garcia made excellent observations.

Confident in its strength as a majority, the PDC did not even bother to negotiate the PCN's [National Conciliation Party] vote. The PCN shares a seat in the Legislative Assembly's board of directors because of a circumstantial alliance with the ruling party. Hugo Carrillo and Rafael Moran Castaneda were the PCN's speakers. They strongly criticized the government for being a typical dictatorship because it is deaf to the demands and requests made by the people. It only does what the people do not want.

The opposition deputies stressed that the economic package that the government has decided to call "the plan for economic reactivation," will have a disastrous effect on the national economy in general. They also criticized the regime for imposing price controls on products that should be subject to the supply and demand system and for increasing the cost of the national industry and trade. It has increased the price of fuel, diesel, and other oil products when on the international market these prices are lower. The devaluation of the Salvadoran colon will further increase the price to be paid to import raw materials and other products necessary for the national industry.

The Legislative Assembly also approved, as a part of the same economic package, a wage increase for government employees. As of this month, the increase will be 150 colones.

Opposed by Businessmen

PA240146 Panama City ACAN in Spanish 2300 GMT 23 Jan 86

[Excerpts] San Salvador, 23 Jan (ACAN-EFE) -- Salvadoran businessmen and industrialists have rejected the "economic stabilization and reactivation program" decreed by the government because they feel it increases the cost of living. The Association of Salvadoran Businessmen and Industrialists, SCIS, and the National Federation of Salvadoran Small Businesses, Fenapes, have stated that the government has not met "the demands of the people, who openly opposed the economic package."

The two organizations have said that the economic measures adopted by the government "are untimely because they will worsen the already deteriorated situation of the national economy and harm the various levels of the population."

The Salvadoran businessmen and industrialists stress that the increase in fuel prices and bus fares "will have a negative effect in the popular sectors, according to analyses made."

Roberto D'Aubuisson, deputy in the Legislative Assembly and a member of the ultraconservative Nationalist Republican Alliance, ARENA, told ACAN-EFE that some of the measures decreed by Duarte "require an adjustment." According to D'Aubuisson, the increase in the bus fares and fuel prices "is tremendously harmful to the Salvadoran people because the government will not be able to control market basket prices." He stressed: The economic measures decreed by the Christian Democratic government "will reduce the number of jobs available to the people and increase the cost of living. The possibility of those measures helping the leftists is dangerous since the people are capable of doing many things when forced to out of necessity."

GUATEMALA

CEREZO TO DISCUSS C. AMERICAN CONFLICT WITH BUSH

PA250351 Hamburg DPA in Spanish 1827 GMT 24 Jan 86

[Text] Guatemala City, 24 Jan (DPA) -- Guatemalan President Vinicio Cerezo Arevalo today said that he will suggest to U.S. Vice President George Bush possible actions to halt the military escalation in Central America. During a news conference held today, Cerezo expressed his concern for the burning situation in the isthmus and said that Guatemala wants to do its part to re-establish peace in Central America. The Guatemalan president did not disclose the suggestions he would make to the U.S. Vice President. (He will probably make his suggestions on Monday when he and Bush attend the swearing in of the new Honduran president, Jose Azcona, in Tegucigalpa.)

In his first meeting with the Guatemalan and foreign press since he assumed the office of president 10 days ago, Cerezo said he is working on three main areas: the organization of the first civilian regime in Guatemala in the past 15 years; the violence that has affected Guatemala in the past few years; and the housing problem experienced by many Guatemalans.

He also said that he will give news conferences every 2 weeks and that the ministers will hold news conferences every week. Each ministry will be assigned a day for its news conference. The Guatemalan president asked the reporters to forget the traditional form of addressing the president, "Mr President," and simply call him "Friendly President," "Companero Vinicio," or simply "Vinicio."

Cerezo said the recent killings are a provocation against the government by sectors that are still up in arms and insist on a violent solution. However, he said that these cases will be investigated and those responsible will be punished. The Guatemalan president added that these sectors are probably also trying to force a violent reaction from the government: however, this will not happen. The government has the law on its side and will abide by the wishes of the Guatemalan people. He asked the people to give him 6 months, the time necessary to give general security to all the population as well as to the refugees in Mexico, who have expressed their desire to return to Guatemala.

Cerezo also justified the recent tax increases decreed by the former government. He said that these increases will only affect a small wealthy sector and not all the people because not all the people travel, buy perfume, and whiskey, etc. The president added that there is a 50-percent evasion of the value added tax (IVA), to the amount of 60 million quetzales (officially at par with the U.S. dollar), and for this reason the tax system will be improved.

U.S. REPORTEDLY TO GRANT MILITARY, ECONOMIC AID

PA240342 Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 2

[Excerpt] Today, Eduardo Palomo Escobar, Guatemalan ambassador to the United States, said here that the United States plans to give Guatemala $10 million in military assistance. Speaking with a PRENSA LIBRE reporter, the diplomat stated that the U.S. Congress has also approved $80 million in economic assistance to the country for 1986, in addition to the assistance for military activities.

Future Aid Loss Possible

PA242129 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 24 Jan 86

[Passages within quotation marks recorded]

[Excerpts] Foreign Minister Mario Quinonez Amezquita has said that Guatemala faces the risk of losing economic aid offered by the U.S. Government

[Quinonez Amezquita] "The truth is that there are U.S. resolutions and laws approving aid to Guatemala, but we must meet certain requirements. For instance, we have not used $100 million in military aid, part of the credits granted by the World Bank have not been used yet, and part of the credits granted by Eximbank [U.S. Export-Import Bank] have not been used yet either. We also have available unused USAID funds, including $4 million to be invested in coffee production. All these projects have been approved; however, certain requirements must be met, and the government must comply with these conditions in order to receive the funds. On many occasions, the U.S. ambassador has expressed the U.S. Government's willingness to help us.

"However, I want to be clear on this matter. As I have said before, the Guatemalan people must be well-informed in order not to entertain false hopes. A law was approved in the United States last year, the Gramm-Rudman Act, which calls for the U.S. Government to balance its budget before (?1988). Basically, this balance must be achieved without increasing taxes. So there is fear that this balance could be sought by reducing certain expenses, one of which could be foreign aid. Therefore, we must present our projects as soon as possible, in order not to be affected by these new regulations."

Foreign Minister Quinonez Amezquita also commented on the barriers placed in front of the U.S. Embassy in this capital, barriers which have been protested against by various sectors.

[Quinonez Amezquita] "Well, the truth is that I read in the press the ambassador's statement in which he said that removing these barriers could be dangerous, as the security of the embassy and its personnel could be affected. I do not know if he has reached an agreement on this matter with any official of the previous government. I have not discussed this with him."

Concluding, the foreign minister listed the people who will accompany President Cerezo to Honduran President-elect Jose Azcona del Hoyo's inauguration next weekend.

[Quinonez Amezquita] "The official delegation includes the president and his wife, the foreign minister, secretary Sara de Rodriguez, and the presidential general staff that always accompanies the president. It will be a very small delegation."

GOVERNMENT HOLDS FIRST CABINET MEETING

PA240409 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 23 Jan 86

[Excerpts] The government has yet to issue a statement concerning the approval to unify the quetzal's exchange rate against the dollar, as has been proposed by the production sector. The current regime's first Cabinet meeting was held yesterday at the presidential palace, but apparently the topic was not discussed. It is expected that the topic will be discussed during the next meeting between the president and his ministers of state. Economy Minister Lizardo Sosa Lopez denied he had issued any statement advocating unification of the foreign exchange rates, as it was recently claimed following some of his statements.

Minister Sosa Lopez revealed some of the topics discussed during the cabinet meeting held yesterday.

[Begin Sosa recording] No, we did not discuss that topic yesterday. We had only the opportunity to learn about each ministry's problems. We held an interesting dialogue on the situation in each ministry. We have discussed the work procedures that must be developed to guarantee a joint government effort. In addition, we have started to analyze the economic crisis prevailing in the country. However, this was discussed at length in a general way; the meeting lasted a long time, but we still do not have a declaration to issue in this regard. I understand that the president of the Republic will address the country to report the results of our current analyses. In the meantime, I cannot give you much information about this. [end recording]

NICARAGUAN CONTRA LEADER MEETS WITH CEREZO

PA231903 Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 4

[Text] The Democratic Revolutionary Alliance, ARDE, currently struggling against the Nicaraguan Sandinist regime is satisfied with the position assumed by the new Guatemalan Government, which favors a political solution for the region's problems, according to Jose Davila, who is ARDE's political coordinator.

During a visit to PRENSA LIBRE's installations, Davila said he met yesterday with President Vinicio Cerezo Arevalo, who expressed his position recognizing the need to have real democracies in the Central American countries. He added: I had previously met with President of the Congress Alfonso Cabrera Hidalgo, and I was pleased with his willingness to help in the political effort to prevent a generalized war in the region.

The main objective of my visit to Guatemala is to request the government's moral and political support, as well as to promote a political solution for the Nicaraguan conflict. ARDE and the Southern Opposition Bloc are conducting a difficult struggle, due to a shortage of funds, because the United States only supports the Nicaraguan Democratic Force, he said.

However, the morale of the ARDE fighters is high, and our goal is to rescue the original principles of the Nicaraguan revolution. For this reason we reject being called counterrevolutionaries, because we do not want to destroy the revolution, but to save it from those who betrayed it and delivered it to Cuban-Soviet imperialism, our visitor stressed.

President Vinicio Cerezo assured us that he will support the democratic proposals of the groups who want to find a solution to the conflict and enter into a democratization process.

President Cerezo also said he will insist on the need for a peaceful solution at the next meeting of the presidents, Davila said. I believe that Cerezo Arevalo's policy is sincere and well-intentioned, and we are sure that he is aware of the kind of problems that must be faced, and of the need to promote political solutions, Davila concluded.

CONGRESS ELECTS 4 SUPREME COURT MAGISTRATES

PA240351 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 23 Jan 86

[Text] The National Congress today elected the first four Supreme Court of Justice magistrates. During a vote-count carried out this morning, the following magistrates were elected: Dr Edmundo Vasquez Martinez, former rector of the San Carlos University; Alfonso Branas Castellanos; Mario Pellecer Molina; and Marco Tulio Molina Abril. Molina Abril is well remembered because in 1984 he presented a writ of protection against former Head of State General Oscar Mejia Victores following the presentation of a tax reform; however, the appeal was rejected.

The four magistrates' candidacies were proposed by Christian Democratic Party members, and they won by an overwhelming majority against two other candidates, including Minister Hugo Pelles Robles and Oscar Barrios Castillo, who were proposed by the Democratic Institutional Party and Union of the National Center, respectively. The vote count was 90-2 and, following the election and official announcement of the members, National Congress President Alfonso Cabrera officially declared the election of the four professionals, who were proposed by their congress members.

REBEL LEADER DECLARES OPPOSITION TO CEREZO

PA260141 Panama City ACAN in Spanish 1917 GMT 25 Jan 86

[By Wilfredo Chacon S.]

[Text] San Jose, 25 Jan (ACAN-EFE) -- Rolando Moran, commander in chief of the Guatemalan Poor People's Guerrilla Army (EGP), has said that Vinicio Cerezo's government plan does not fit the Guatemalan situation. The guerrilla commander warned in his statement that the new Guatemalan regime has become -- voluntarily or involuntarily, aware or unaware -- "the protagonist of the counterinsurgent maneuver."

In the document, the text of which was sent to ACAN-EFE in a telegram on the EGP's 14th anniversary, the rebel leader stated that "the Christian Democratic reforms are unfeasible under the circumstances of an economy dependent on strong precapitalist vestiges and being located in the area most threatened by the Reagan administration."

According to Rolando Moran, the economically powerful sectors of Guatemala and the U.S. Administration "know and fear" that any democratic opening, small as it may be, could be "the channel for the guerrilla movement and the popular sectors to hasten a revolutionary outcome."

Moran also said that if President Vinicio Cerezo and the Guatemalan Christian Democracy (DCG) -- "in a sudden spurt of nationalism," of commitments to the people, and with political integrity -- should decide to overcome "the boundaries the other forces are imposing and the commitments with which they are being pressured," then they would be opening an unprecedented historic period and drawing away from the counterinsurgent maneuver.

However, according to the political calculations of the "EGP," the commander in chief "rejects this possibility" and underscores that the new president and his government, "regardless of their intentions and wishes," will have to give in to pressures "in exchange for a chance to govern."

Moran foresees that the Guatemalan Army high command and the North American government will soon "try to hasten the beginning of the counterinsurgency campaign."

The revolutionaries, Moran added, "are convinced that Cerezo and the DCG will not even have a chance to carry out their government plan, much less satisfy the demands of the Guatemalan people," and this is why, "we find ourselves with a new government but not with a new power."

If, on the other hand, Cerezo decides to "confront the conspiracy, the private initiative, the Army, and the Reagan administration," he would have to, according to Moran, call on the forces of the people -- that is, "the democratic, patriotic forces, and the forces of the revolution."

The rebel commander in chief stressed that at this moment, the Guatemalan guerrillas represent "a solidly united, mature, and trained revolutionary movement" formed by the Guatemalan National Revolutionary Unity (URNG), an organization that includes the EGP, the Rebel Armed Forces (FAR), and the Revolutionary Organization of the People in Arms (ORPA).

HONDURAS

AZCONA ANNOUNCES NEW CABINET MINISTERS

PA260212 Panama City ACAN in Spanish 0145 GMT 26 Jan 86

[Text] Tegucigalpa, 25 Jan (ACAN-EFE) -- Honduran President-elect Jose Azcona del Hoyo announced tonight the cabinet that will accompany him when he takes office on Monday, 27 January.

The new secretaries of state with the rank of minister are as follows:

Minister of the Presidency	Celeo Arias Moncada
Labor and Social Welfare	Adalberto Discua Rodriguez
Public Health and Social Aid	Ruben Antonio Villeda Bermudez
Defense and Public Security	Luis Alonso Cardona Macias
Culture and Tourism	Arturo Rendon Pineda
Communications, Public Works, and Transportation	Juan Fernando Lopez
Foreign Affairs	Carlos Lopez Contreras
Natural Resources	Rodrigo Castillo
Economy and Commerce	Reginaldo Panting Penalba
Finance and Public Credit	Jose Efrain bu Giron
Government and Justice	Raul Elvir Colindres
Public Education	Elisa Estela Valle de Martines Pavetti
Higher Council of Economic Planning	Francisco Figueroa Zuniga
National Agrarian Institute	Mario Espinal Zelaya

Still pending appointment are the president of the Central Bank of Honduras and the manager of the National Enterprise of Electric Energy, in addition to the press secretary of the Presidency. Those appointed will take office immediately after the constitutional president is sworn in.

Jose Azcona will take office on 27 January and will begin to administer the oaths on 28 January.

Of those appointed, Labor Secretary Adalberto Discua Rodiguez and the foreign affairs secretary are Nationalists, the traditional party of opposition to the Liberal Party to which Azcona Hoyo belongs. The defense minister is a military officer, was appointed at the suggestion of the Armed Forces, and has the rank of colonel.

FOREIGN DELEGATIONS ARRIVE FOR AZCONA INAUGURAL

Cerezo, Others Welcomed

PA262140 [Editorial Report] Tegucigalpa Radio America in Spanish at 1740 GMT on 26 January is intercepted in progress carrying a live ceremony from the Toncontin International Airport at Tegucigalpa where Guatemalan President Vinicio Cerezo Arevalo and the first lady, Mrs Cerezo, have "just arrived" and are being greeted by Honduran President Roberto Suazo Cordova and members of his Cabinet. After Presidents Cerezo and Suazo Cordova leave the airport for the city, the Cabinet members remain at the airport to welcome the next foreign delegations.

At approximately 1800 GMT, Venezuelan Air Force plane arrives with the delegation presided over by Foreign Minister Simon Alberto Consalvi, "several men in uniform," and the well-known singer Jose Luis Rodriguez, also known as "El Puma." The announcers devote much attention to the singer, who has been invited "presumably" to plan a charity concert.

The Radio America announcers briefly interview the Honduran foreign minister, who tells them that "the U.S. vice president will arrive at 1430 at the Palmerola Air Force Base. From there, he will take a helicopter to Toncontin Airport, where he will be received by the presidential-designates."

At approximately 1830 GMT, a Panamanian Air Force plane lands bringing the Panamanian delegation to the inauguration. The delegation is led by Vice President Dr Roderick Esquivel and includes Foreign Minister Jorge Abadia Rais, Air Force Commander Col Alberto Purcell, and Luis Arrieta Aleman, chief of protocol. The Honduran Cabinet, presided over by Vice President-designate Celio Arias Moncada and Foreign Secretary Edgardo Paz Barnica, greets the Panamanian delegation. After the Panamanian and Honduran national anthems are played, the Panamanian delegation leaves the airport.

No speeches are broadcast. The live relay ends at 1842 GMT.

Duarte, Febres, Others Greeted

PA262149 Panama City ACAN in Spanish 2118 GMT 26 Jan 86

[Text] Tegucigalpa, 26 Jan (ACAN-EFE) -- Salvadoran Persident Jose Napoleon Duarte and Guatemalan President Vinicio Cerezo arrived at midday in Tegucigalpa on an official 48-hour visit. Both Central American presidents will attend the transfer of power ceremony tomorrow between President Roberto Suazo Cordova and President-elect Jose Azcona del Hoyo.

Honduran Army troops rendered military honors to both Central American president, who reviewed the troops in the company of President Suazo Cordova and General Walter Lopez Reyes, chief of the Honduran Armed Forces. Newsmen did not have access to the presidents, who were quickly taken in armed armored vehicles to the hotels reserved for them and their retinues.

Official sources of the Guatemalan Presidency indicated that in Honduras Cerezo will continue talks with the Central American presidents "to halt the military escalation in the area." Also, Cerezo will speak with his colleagues about the exact date of the summit meeting of presidents of the region, which had initially been set for this coming May in Esquipulas, Guatemala on the Salavadoran and Honduran border.

Sercurity measures were stringent in Tegucigalpa, especially at the airport, which has been tightly patrolled for the past 2 days.

Ecuadoran President Leon Febres Cordero, Ecuadoran Vice President Blasco Penaherrera, Argentine Vice President Victor S. Martinez, and Venezuelan Simon Alberto Consalvi are also in Honduras. The Colombian vice president and vice minister, as well as Belizean Prime Minister Manuel Esquivel, have also arrived in Honduras.

U.S. Vice President George Bush is expected to arrive this afternoon when his aircraft will land at Palmerola Base, Comayagua in the central par of Honduras, from where he will be flown by helicopter to Tegucigalpa.

Foreign Minister Welcomes Bush

PA262328 Paris AFP in Spanish 2153 GMT 26 Jan 86

[Text] Tegucigalpa, 26 Jan (AFP) -- U.S. Vice President George Bush arrived in Tegucigalpa this afternoon for the 27 January inauguration of Honduran President-elect Jose Azcona del Hoyo. Bush was greeted at Toncontin Airport by Honduran Foreign Secretary Edgardo Paz Barnica, Deputy Foreign Minister Tomas Arita, and Celeo Arias, designated Presidency secretary.

The ranking U.S. official will meet with outgoing President Roberto Suazo and will hold a press conference tomorrow after meeting at the government house with Azcona del Hoyo. This is the third meeting to be held in the past few days between Azcona del Hoyo and Bush, who met in Guatemala on 14 January and later on 17 January in Washington during a working visit by Azcona. U.S. Ambassador John Ferch was also present at Toncontin Airport.

Guatemalan President Vinicio Cerezo and Salvadoran President Jose Napoleon Duarte also arrived today to attend the inauguration.

ALLEGED SALVADORAN BORDER VIOLATIONS PROTESTED

PA252001 Panama City ACAN in Spanish 1831 GMT 25 Jan 86

[Excerpt] Tegucigalpa, 25 Jan (ACAN-EFE) -- The Honduran Government strongly protested today to the Salvadoran Government against a territorial violation by Salvadoran troops and for forced recruitment in an area that is considered Honduran territory. Honduran Foreign Secretary Edgardo Paz Barnica sent a note to his Salvadoran counterpart, Rodolfo Castillo Claramount.

Paz Barnica pointed out that on 14 January the Salvadoran Air Force bombed the area of Los Patios, Marcala Municiplaity, La Paz Department, in the west central area of Honduras.

The note also charges that Salvadoran soldiers on the Conchagua Battalion of the Armed Forces have been transferred to the island of Meanguera, and that the residents of the island are being drafted; the most recent case took place on 15 January.

Meanguera is one of the islands disputed by Honduras and El Salvador in the Gulf of Fonseca, Pacific Ocean.

NEW NATIONAL CONGRESS LEADERSHIP ELECTED

PA260150 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 24 Jan 86

[Excerpts] The new leaders of the National Congress were elected yesterday. They are headed by the controversial deputy Carlos Orbin Montoya. He is accompanied by Hector Orlando Gomez Cisneros as first vice president, Jacobo Hernandez Cruz as second vice president, (Roberto Maradiaga) as third vice president, Roberto Ramon Castillo as fourth vice president, Oscar Melara as first secretary, (Teofilo Marcel) as second secretary, Armando Rosales Peralta as first assistant secretary and (Novaldo Irias Navas) as second assistant secretary.

Guillermo Castellanos Enamorado reports the following in today's parliamentary chronicle.

[Begin recording] [Castellanos] Carlos Orbin Montoya was elected president of the new legislature yesterday, on approval of a motion by deputy Nicolas Cruz Torres proposing a list of names of the new congressional officers. At the end of the nominal vote count by roll call, at the request of Christian Democratic deputy, Efrain Diaz Arrivillaga, the directors of the new congress were chosen. In the election, there were 108 votes in favor of the slate proposed by Cruz Torres, no votes against, 23 abstentions, and 3 deputies absent. The new officers were then sworn in.

At the end of yesterday's legislative session, Carlos Orbin Montoya thanked his colleagues for their confidence in him. In a brief speech, he said the following, among other things:

[Montoya] I swear before you, to all those people who tried to hurt me over the last 3 years, that we will not use this rostrum to persecute anyone or to limit the liberties of others. All Hondurans can be reassured. We will not look towards the past except to learn from it. We will work with faith and hope to build a democratic Honduras. To my colleagues of all persuasions, I say, let us join in without prejudice. Let us work for Honduras, because the people will always appreciate it. [end recording]

Suazo Attends Ceremonies

PA260156 Hamburg DPA in Spanish 2138 GMT 25 Jan 86

[Excerpt] Tegucigalpa, 25 Jan (DPA) -- The new Honduran National Congress was installed today in a ceremony held in the Legislative Palace in Tegucigalpa and attended by outgoing Honduran President Roberto Suazo Cordova. The inaugural session of the parliament, which served as the opening of the legislature by the deputies, was very solemn and was attended by the 134 congressmen elected last 24 November when the Hondurans also elected a new president, three vice presidents, and 184 municipal government officials.

The legislature is composed of 67 deputies from the official Liberal Party, 63 from the National Party (the most important of the opposition groups), 2 from the Christian Democratic Party of Honduras, and 2 from the Innovation and Unity Party.

The inaugural session was attended, in addition to Suazo Cordova, by Carlos Manuel Arita, president of the Supreme Court; General Walter Lopez, chief of the Armed Forces; Cabinet members; church authorities; and members of the diplomatic corps accredited in the country.

NICARAGUA

[illegible] EPORTEDLY DOWN SANDINIST HELICOPTER

PA250227 Mexico City XHDF Television Network in Spanish 0130 GMT 25 Jan 86

[Text] Today there were new clashes between the Sandinist People's Army and Nicaraguan counterrevolutionaries. According to reports from the border between Costa Rica and Nicaragua, the counterrevolutionaries downed a Sandinist helicopter. So far, the Managua government has not issued a communique on the matter.

DELEGATION TO SEEK AID FROM SOCIALIST COUNTRIES

PA260442 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Jan 86

[Text] Foreign Cooperation Minister and Commander of the Revolution Henry Ruiz left today for the socialist countries heading a government delegation.

[Begin Ruiz recording] We are going to attend intergovernmental joint commission meetings with Czechoslovakia, Poland, and Bulgaria. The government mission seeks economic, trade, and technical assistance on an annual basis. [end recording]

The delegation includes Jaime Wheelock, minister of Agricultural Development and Agrarian Reform and Commander of the Revolution, and the ambassadors to Czechoslovakia, Bulgaria, and Poland.

'SUSPICIOUS' COSTA RICAN BOAT SEIZED OFF COAST

PA261831 Panama City ACAN in Spanish 1800 GMT 26 Jan 86

[Text] Managua, 26 Jan (ACAN-EFE) -- A launch, presumably from Costa Rica, sailing in Nicaraguan waters with three persons aboard, was captured on 21 January, according to a Defense Ministry report today. The crew, identified as the brothers Abelino, Manuel, and Francisco Avendana, told the authorities they are Costa Ricans, although they were born in the Nicaraguan port of San Juan del Sur.

The launch, identified as "Costa Rica 05", was navigating at 0610 (1205 GMT) last 21 January, 960 meters from the Nicaraguan coast, when it was intercepted by the Coast Guard. The Nicaraguan authorities consider the launch's activity off the Nicaraguan coast "suspicious," therefore the crew is being held for questioning. The Avendana brothers said they were fishing in front of El Naranjo, in Salinas Bay.

OBANDO Y BRAVO ACCUSES REGIME OF PERSECUTION

PA230330 Managua BARRICADA in Spanish 22 Jan 86 p 1

[Text] New York -- Yesterday at a press conference, Cardinal Miguel Obando y Bravo accused the Sandinist government of religious persecution, and he made violent political attacks against the FSLN. Obando revealed the contents of two internal letters pertaining to the talks that the government has maintained with the Catholic hierarchy, which contain political arguments that coincide with those used by the Reagan administration to attack Nicaragua. The cardinal lied about Nicaragua when he said that there is religious persecution in that country, UN delegates said. The prelate met at the United Nations with Secretary General Javier Perez de Cuellar.

Perez de Cuellar virtually rejected the Nicaraguan cardinal's request that he intervene to improve state-church relations. A spokesman for the secretary general said that Perez de Cuellar very kindly explained to the cardinal that his range of action is limited to the mandate he received from the Security Council in 1983, which only asks him to report on the Contadora Group's peace efforts. Nicaraguan Government sources reported that since the last meeting between the Episcopal Conference commission and the state commission last October, the government has been asking the Episcopal commission to establish the date for a future meeting. It was also reported that Cardinal Obando y Bravo has not answered two letters that Nicaraguan President Daniel Ortega sent to the Episcopal Conference demanding that it set the date for another meeting.

Cardinal Siding With U.S.

PA230333 Managua Radio Sandino in Spanish 1930 GMT 22 Jan 86

[Text] New York -- Yesterday at a press conference, Cardinal Miguel Obando y Bravo accused the Sandinist government of religious persecution, and he made violent political attacks against the FSLN. Obando revealed the contents of two internal letters pertaining to the talks that the government has maintained with the Catholic hierarchy, which contain political arguments that coincide with those used by the

[Text] Nicaraguan Socialist Party member Luis Sanchez today condemned the statements made by Cardinal Miguel Obando y Bravo in New York. Sanchez said it is sad that the cardinal has placed his hope in foreign and interventionist factors rather than in a patriotic stance of national interest. Cardinal Obando y Bravo, who is in the United States, sent a letter yesterday to UN Secretary General Javier Perez de Cuellar accusing the Nicaraguan Government of persecuting the church. He also said that the only solution for the Nicaraguan conflict is a dialogue with the counterrevolutionaries. Perez de Cuellar even deemed church-state relations in Nicaragua as inappropriate.

In addition, Harry Shlaudemann, U.S. roving ambassador for Central America, has said in Costa Rica that his government demands negotiations between the Nicaraguan Government and the counterrevolutionaries as a prerequisite for a bilateral dialogue with Nicaragua. In the next few days, the U.S. Congress will discuss the Reagan-proposed allocation of $100 million [as heard] for the counterrevolutionaries. These are the statements by Sanchez:

[Begin recording] We feel the U.S. Government's stance regarding the Central American problem and its policy regarding Nicaragua have not changed. In other words, the United States persists in its policy of aggression. President Reagan has been pressuring the U.S. Congress with his demands for a bigger allotment -- for as much as $100 million -- for the counterrevolutionary forces. The U.S. stance has remained intransigent despite public international opinion and contrary to international law as well. The U.S. Government seeks to violently topple the Nicaraguan revolutionary state. Of course, this weakens all the efforts made for peace, particularly those recently of the Contadora and Support Groups in Caraballeda, Venezuela, and the recommendations made in Guatemala during the inauguration of President Vinicio Cerezo.

What really counts here, however, is that the United States is revealing itself before Latin American governments and peoples as an intransigent force and a fundamental factor of destabilization in Central America.

In addition, I feel thatthe denunciation, so to speak, made by Cardinal Obando y Bravo at the United Nations, in New York does not represent a sincere effort to reach an agreement between that state and the official church. We have advocated that the government and the Catholic Church's hierarchy responsibly, seriously, and patriotically discuss problems of common interest. This would serve as the basis for accords.

Nevertheless, an international campaign that clearly ties to pressure the Nicaraguan Government and even discredit this government's stance regrettably makes more difficult a sensible agreement and even makes Cardinal Obando y Bravo appear as someone who puts more hope in foreign interventionist factors than in a patriotic stance of genuine national interest. [end recording]

'Opposition' Criticizes Cardinal

PA232221 Managua Radio Sandino in Spanish 1200 GMT 23 Jan 86

[Text] Opposition party leaders have spoken out against the action of Cardinal Miguel Obando y Bravo, who requested of UN Secretary General Javier Perez de Cuellar that the United Nations intervene in Nicaragua in order to establish a dialogue with counterrevolutionary groups.

Domingo Sanchez Salgado, member of the Nicaraguan Socialist Party, stated that he is completely opposed to Obando y Bravo's position.

[Begin Sanchez recording in progress]...totally condemnable. I believe that it goes against the spirit, the criteria, and the desires of the Nicaraguan Catholics, who see Msgr Obando y Bravo as their leader. We condemn it. [end recording]

Meanwhile, Rodolfo Robelo Herrera, member of the Independent Liberal Party, has said that the high Catholic Church prelate's request does not reflect the wishes of Nicaraguans, who wnat a solution to the conflict through negotiation and dialogue -- but with the civic forces that are within the country, rather than the armed groups attacking the revolution.

[Regin Robelo recording] The Independent Liberal Party realizes -- and I believe I am interpreting its position correctly -- that not only is dialogue possible, but it should be carried out; however, it should be carried out with the political and civic organizations that exist in Nicaragua, that are operating internally, and that are willing to seek a peaceful and negotiated solution to this situation of crisis the country is experiencing. I share that desire of the Independent Liberal Party. I share the feeling that one can meet and talk with the political organizations that are playing a determining role in the existing life of our country through their representatives in the National Assembly, as well as the political parties that have no representatives in the Assembly because they did not participate in the elections for reasons that in my judgement are honest.

I am referring specifically and precisely to those civic and political organizations that exist inside Nicaragua. [end recording]

Government Issues Communique

PA230427 Managua Domestic Service in Spanish 0300 GMT 23 Jan 86

[Communique No 4 issued by the Directorate of Information and Press of the Presidency of the Republic in Managua on 22 January -- read by announcer]

[Text] 1. During his current visit to the United States, Cardinal Miguel Obando y Bravo has launched a campaign of criticism and slander against the Nicaraguan Government, accusing it of persecuting the church.

2. The visit by the cardinal to the United States and the campaign of criticisms he has launched is taking place precisely at a time when the Reagan administration has launched a new campaign against our country in order to obtain funds from the U.S. Congress to provide military assistance to the counterrevolutionaries.

Cardinal Obando Y Bravo who has said nothing to date with regard to the mercenary aggression that has already left a toll of 11,000 victims, including women, elderly people, and children, has gone to accuse us before our aggressors, thereby joining an activity that is unworthy of his high investiture and priestly mission.

3. The lawful steps the government has found itself forced to take against Radio Catolica and Coprosa [Archdiocesan Social Promotion Commission] are the exclusive responsibility of the leaders of the Managua archdiocese for having repeatedly refused to abide by our country's laws.

4. We are attaching to this communique the appeals for dialogue which the government has made through various notes sent to Msgr Bosco Vivas Robelo, secretary of the Nicaraguan Episcopal Conference.

Issued in Managua on 22 January 1986

25 years later, all weapons against the aggression.

Attachment: Letter written on 15 January to Msgr Bosco Vivas Robelo:

Dear Monsignor:

Since 28 October 1985, when we held the last meeting of the Government-Church Commission [Comision Gobierno-Iglesia], our delegation has insisted verbally and in writing before you and the nuncio on the need to set a date for the next meeting of the commission, having received no response to date. At the beginning of this new year, we repeat our request to hold the next meeting of the Government-Church Commission soon.

With reference to the request that the cardinal has made through you to the president of the Republic, I would appreciate it if you would inform us if this request for a meeting involves a resumption of the meetings of the Dialogue Commission. If so, we would like to know the points of the agenda to be discussed at such a meeting.

Signed: Rene Nunez Tellez, Presidency Minister

Attachment: Letter of 10 January 1986 to Msgr Vivas Robelo:

Dear Msgr Vivas Robelo:

Bearing in mind that the request for a meeting you have aubmitted was unanimously approved by the bishops of the Episcopal Conference and considering that the points on the proposed agenda concern the various dioceses, we suggest that a meeting be held between the companero president of the Republic of Nicaragua and the Nicaraguan Episcopal Conference in mid-February 1986.

During this meeting, the cardinal may talk separately with the companero president if he so wishes. We also propose that the Government-Church dialogue Commission meet within the next few days for the exclusive purpose of making arrangements for the meeting referred to above.

Best regards,

[Signed] Rene Nunez Tellez, Presidency Minister

Cardinal Complains to OAS

PA241956 Managua Radio Sandino in Spanish 1200 GMT 24 Jan 86

[Text] Washington -- After making accusations against the Nicaraguan Government in front of its imperialist aggressors, Cardinal Miguel Obando y Bravo submitted yesterday to the OAS secretary general a document listing a barrage of charges the U.S. Government has been championing in its attempt to hurt Nicaragua.

In the document Obando y Bravo did not say a single word about the more than 11,000 victims of the U.S.-financed mercenary aggression, an international dispatch reports. Meanwhile, he claimed -- as Reagan's envoy Harry Shlaudeman had before in Central America, Bogota, and Caracas -- that the Sandinist regime is involved in religious persecution. The document presented to OAS Secretary General Joao Baena Soares indicated that the literacy campaign conducted by the government was designed foremost to indocrinate and organize the people and only last to teach them how to read and write. He made no mention of the counterrevolutionary political activities of the foreign priests deported from Nicaragua or the politically-oriented publication that the priest Bismarck Carballo intended to release to criticize the government. On the other hand, he did warn that churchmen are being persecuted in Nicaragua.

OAS Envoy Replies

PA250450 Managua EL NUEVO DIARIO in Spanish 24 Jan 86 pp 1, 8

[Text] Edgar Parrales, Nicaraguan ambassador to the OAS, has told EL NUEVO DIARIO that Cardinal Miguel Obando y Bravo's statements in the United States "strategically coincide" with those of the Reagan administration.

Obando y Bravo met yesterday with OAS Secretary General Joao Baena Soares, to whom he delivered a letter asking for Baena Soares' intervention in Central American affairs and reporting on alleged outrages by the Sandinist government against the church.

No Persecution

During a conversation with this newspaper over the telephone from Washington, Parrales said categorically that there cannot be religious persecution in Nicaragua because "many revolutionaries are believers and they also are part of the church."

Parrales said: "Christians cannot persecute themselves." He took the opportunity to refute an AP report. The news agency manipulated some of Parrales' statements.

He Refutes AP

Yesterday, AP quoted Parrales as saying: "We are the church, the people are the religion." This was denied by the Nicaraguan churchman. "I did say that the church is formed not only by the hierarchy but by all the believers."

Parrales added that AP also lied when it quoted him as saying: "Obando y Bravo is the Antichrist and a pharisee." Parrales said: "I did not utter either of those two words. I said that the cardinal should concern himself with preventing the priests' rights from being violated at the archdiocese. The hierarchy hampers their freedom of expression."

In a well orchestrated campaign that could only seek to establish the proper conditions for a military invasion against Nicaragua, Obando y Bravo has said in the United States again and again that religious people are persecuted in Nicaragua, while he also speaks of a "constructive dialogue with the government." All this is happening at a time when the U.S. President has asked the U.S. Congress to authorize an additional $100 million for the Somozist mercenaries. In addition, Obando y Bravo does not mention that the government has proposed a dialogue with the Episcopal Conference three times during the past few days.

Parrales stressed that the Managua archbishop should rather concern himself over the rights of his priests, frequently trampled upon by the church. Two years ago, and after many efforts, Obando y Bravo succeeded in getting the Vatican to approve the elimination of the National Clergy Association, thus violating the priests' right to association.

Father Parrales also pointed out: "The truth is that those priests who don't go along with the archbishop's ideas have a hard time."

The Past

Parrales recalled that, during the many times he was in prison during the revolution, Obando y Bravo never demonstrated to have him released, as he did recently when Father Amado Pena involved himself in counterrevolutionary activities. One of the times that Parrales was in prison, Obando y Bravo -- to top it off - remove him from the pertpetuo Socorro parish church.

The limit was reached when Somozist guardsmen captured Father Francisco Mejia and split open his head and Obando y Bravo, today cardinal, left for Chonta Department so as not to have to intercede for him. He left all the problems in the hands of the elderly assistant he had at the time. In those hard times during the Somozist regime when priests were put in prison and were daily outraged, Obando y Bravo never said that the church was persecuted.

In his tour through the United States, Cardinal Obando y Bravo is accompanied by officials of the Washington nuncio office and civilians related to the U.S. Government circles.

Obando y Bravo's campaign of slander against the Sandinist revolution also coincides with one started yesterday by the Vatican official newspaper L'OBSERVATORE ROMANO, which repeated the cardinal's accusations.

U.S. CATHOLIC ORDER LINKED WITH OBANDO, CIA

PA240126 Managua BARRICADA in Spanish 23 Jan 86 p 3

[Editorial by Jorge Lobo: "The Amazing Grace, Obando, and the Contras"]

[Excerpts] The U.S. wing of the Order of Knights has approximately 1,000 members, including 300 "ladies". They are the cream of U.S. Catholicism and meeting point of the domineering U.S. elite with the Vatican. The order's "general headquarters" is installed in the notorious mixed monopoly "W.R. Grace and Company."

Grace's name appears every time a revolutionary government is about to be destablized by the United States. Lately there have been notable ties between Grace Co. representatives and the Managua archepiscopal curia, which is hostile to the Nicaraguan Government. As the U.S. newspapers THE NEW YORK TIMES and NATIONAL CATHOLIC REPORTER have reported, Managua Archbishop Miguel Obando y Bravo met with Grace representatives in New York when he returned from Rome where Pope John Paul II designated him as cardinal. Obando y Bravo allegedly requested financial support for his publications department (Coprosa) [Archdiocesan Social Promotion Commission]. According to the sources mentioned, he received positive answers and Coprosa, an organization from which has emerged more than one pamphlet critical of the government, will receive almost $1 billion through the Agency for International Development.

While Grace's people take care of Obando y Bravo and others similar to him, the other Knights of Malta deal directly with the Contras. According to their own statements, the Knight's Americares foundation has so far donated more than $680,000 to the Miskitos who are fighting from Honduras against Nicargaua. In Honduras, the donations are administered by Guatemalan coffee producer Alejos, who lent his ranch to the CIA in 1960 so that thousands of exiled Cubans could be militarily trained for the invasion of Cuba.

Persecution of Progressive Priests

It is evident that the U.S. branch of the Knights has been the most important link between the CIA and the Vatican, so it cannot come as a surprise that ever since the CIA was founded all of its directors have been members of the Order of Malta.

CHURCH DENIES REPORTED ROLE IN 'SCORPION' PLOT

PA250343 Paris AFP in Spanish 2330 GMT 24 Jan 86

[Excerpts] Managua, 24 Jan (AFP) -- Today the Nicaraguan Catholic Church labeled as "slander" reports of involvement by Father Osvaldo Mondragon, director of the minor seminary, in the military plans of Nicaraguan counterrevolutionaries. Msgr Bismarck Carballo, spokesman of the Managua Archbishopric Curia, noted that the Sandinist government "wants to destroy pastoral work" and rejected Friday's reports by the Directorate of State Security accusing Mondragon of involvement in a "terrorist" plan of the rebel Nicaraguan Democratic Force (FDN).

Carballo told AFP that beginning with the government's break-in at the offices of the Archdiocesan Social Promotion Commission (Coprosa) in November and the subsequent closing for an indefinite period of Radio Catolica on 1 January, "we have become aware of how far the government might go to discredit the church's pastoral work."

"We do not know if the case involving Father Mondragon is going to remain a mere accusation to mar the Church's image before the public or whether the government will continue this policy of discrediting [the Church] and go so far as to jail priests, which would be a serious mistake," Carballo added.

The prelate downplayed the importance of statements by the Sandinist government that Cardinal Miguel Obando y Bravo had traveled to the United States this week to "slander" the revolution, which Obando y Bravo had accused of persecuting the church. Carballo stated: "The cardinal merely noted the actions undertaken by the government against the church in the past 4 years."

Priest Interrogated

PA260347 Madrid EFE in Spanish 0307 GMT 26 Jan 86

[Text] Managua, 25 Jan 9EFE) -- The Nicaraguan Episcopal Conference held an urgent meeting today to issue a statement regarding a summons from Sandinist authorities to priest Oswaldo Mondragon. The Catholic clergyman, who is director of the lower seminary of Managua and parish priest of the "El Calvario" Church, was summoned today to the "Casa 50," one of the installations of the state security in this capital.

Security authorities have not yet given the press any explanation for Mondragon's summons. He allegedly participated in an anti-Sandinist conspiracy denounced yesterday by Captain Andres Garcia, deputy chief of government security. The alleged link of Father Mondragon to the "Scorpion" destabilization plan was mentioned by Guillermo Aguilera, charged with being chief of the "special front for internal sabotage."

Intelligence authorities said that the "Scorpion" plan was thwarted by security organizations last December after four accomplices were captured.

Ecclesiastical sources confirmed to EFE that, after having been interrogated, Father Mondragon was taken back to the seminary, on the outskirts of Managua, by Sandinist authorities.

The country's Catholic bishops are meeting to evaluate the situation and issue an official declaration, which will be released in the next few hours.

MALMIERCA, ZIMBABWE'S MANGWENDE HOLD TALKS

FL241731 Bridgetown CANA in English 1658 GMT 24 Jan 86

[Text] Harare, Jan 24, CANA-REUTER -- Cuban Foreign Minister Isidoro Malmierca, who was on an official visit to Lesotho when the civilian government was topled in a coup on Monday, arrived in Zimbabwe today aboard a Zimbabwean Air Force plane. Malmierca was accompanied by his wife and five other senior Cuban Government officials. He had been due to arrive here two days ago but was delayed by the closure of the international airport at Maseru following the coup.

Meeting his Zimbabwean counterpart, Witness Mangwende, soon after arrival, Malmierca thanked Zimbabwe for having sent the transport aircraft to collect him and his party. Lesotho is surrounded by South Africa and the plane must have received authorisation to overfly South African territory to collect the Cuban party, diplomats here said.

Speaking after their meeting, Mangwende said Zimbabwe planned to open an embassy in Cuba soon. At present, Zimbabwe's interests in Cuba are handled by its mission in Canada. Prime Minister Robert Mugabe, who takes over leadership of the Non-Aligned Movement later this year, made this first visit to Cuba late last year.

Malmierca is scheduled to be in Zimbabwe for four days.

Malmierca Meets With Banana

FL242208 Havana Radio Reloj Network in Spanish 1902 GMT 24 Jan 86

[Text] Canaan Banana, president of Zimbabwe, has received Cuban Minister of Foreign Relations Isidoro Malmierca, who is in Harare on an official visit. During the visit the Zimbabwean president expressed his concern about the situation in Lesotho, which the Cuban foreign minister had left to arrive in Harare this morning. Malmierca arrived in Lesotho on 17 January for an official visit. On 20 January a coup d'etat, apparently carried out with South African participation, overthrew the government of Leabua Joanthan in Maseru.

The Zimbabwean chief of state and Malmierca also discussed the coming summit meeting of the Nonaligned Movement. Banana stressed the role of Cuba and Commander in Chief Fidel Castro in the Nonaligned Movement, which contributes to the strengthening and cohesion of the movement.

DELEGATION ATTENDS SIERRA LEONE INAUGURATION

FL251908 Havana Television Service in Spanish 1800 GMT 25 Jan 86

[Text] Ernesto Melendez, Cuban minister president of the State Committee for Economic Cooperation, has arrived in the capital of Sierra Leone to attend the inauguration of Major General Joseph Saidu Momoh. The Cuban delegation was met at the Freetown airport by Augustine Stevens, state minister for foreign affairs. Also attending the inauguration are delegations from the USSR, Algeria, the United Kingdom, Saudi Arabia, and others.

SUGAR MILL WORKERS BEGIN STRIKE TO PROTEST DEATH

FL241620 Bridgetown CANA in English 1608 GMT 24 Jan 86

[Text] Santo Domingo, Jan 24, CANA-REUTER -- Workers in the Dominican Republic's 12 state-owned sugar mills began an indefinite strike today to test [as received] against the death of a colleague during a wage protest, union spokesman said. All mining of the 1985-86 harvest, which began two weeks ago, has stopped, they said.

The workers, many from neighbouring Haiti, say their colleague died when police moved in to break up the wage protest. It was not known when the incident occurred. The Dominican Republic is the United States' chief Latin American sugar supplier, providing about 400,000 tonnes a year.

Further Report

PA241734 Paris AFP in Spanish 1636 GMT 24 Jan 86

[Text] Santo Domingo, 24 Jan (AFP) -- One worker was killed and 40 people, including 10 policemen, have been wounded in violent demonstrations by Dominican sugar workers in the past 24 hours. The demonstrations are the result of a crisis in the Dominican sugar industry, which is experiencing the worst prices in the last 50 years and the decrease of the U.S. preferential quota.

The most violent incidents took place yesterday in the Catarey sugar mill in Villa Altagracia (40 km north of Santo Domingo) where, according to many eyewitnesses, worker Mario Polanco was shot to death by a policeman. The workers of the Catarey mill, 1 of the 12 sugar mills administered by the State Sugar Council (CEA), were holding a meeting as part of the general mobilization ordered by the Federation of Sugar Workers to demand the payment of a bonus equivalent to 1 month's wages. Policemen acted to disperse the workers, and the clashes ensued.

CEA Executive Director Victor Manuel Baez recently announced that as a result of low international sugar prices, the reduction of almost 200,000 tons of the U.S. preferential quota, and the constant increase of production costs, the corporation lost 100 million pesos ($33 million) in 1985. As a result of that financial situation, the authorities decided to pay a bonus equivalent to only 10 days of work. This bonus would be given only to temporary workers (approximately 25,000) and not to the 60,000 CEA workers. According to the official view, the temporary workers are the ones who need the bonus the most.

The unions affiliated with the Federation of Sugar Workers rejected the government decision, calling it unjust and divisionist, and they began their plans to fight it. Half of the 12 sugar mills announced they would halt activities today to protest the death of Polanco, who will be buried today in Villa Altagracia.

The National Police have reported the creation of a commission to investigate the circumstances in which Polanco was killed and 10 policeman injured by rock throwing during yesterday's violence.

Tear Gas Used at Funeral

FL242146 Santo Domingo Radio Clarin in Spanish 1600 GMT 24 Jan 86

[Text] The situation in Villa Altagracia remains tense today, while confrontations between sugar workers and police have continued since early this morning.

Early this morning, when a Christian burial was underway for worker Mario Polanco, 24, who was killed yesterday during street demonstrations, agents threw a large quantity of tear gas into the multitude at the cemetery. According to Clarin Correspondent in Villa Altagracia Antonio de la Cruz Figueroa, hundreds of people have filled the streets, condemning the attitude of the police agents, who are practically occupying the municipality.

Catarey sugar mill workers are demanding that the government pay 30 days compensation (bonificacion) corresponding to the last sugar harvest. The sugar mill workers have declared an indefinite strike, and a large portion of the state sugar mills are paralyzed. There has been no announcement yet of any measures to keep the situation from worsening.

Police, Students Clash

FL251738 Santo Domingo Radio Clarin in Spanish 1600 GMT 25 Jan 86

[Text] Violence occupied yesterday in San Francisco de Macoris when police and students confronted each other with rocks and tear gas. The protests were led by students of the (Hercilia Petin) club to condemn the death of sugar worker Mario Rosa Polanco, killed by police on 23 January in Villa Altagracia. According to reports, police had immediately surrounded the education center and fired tear gas into the building. After talks between a commission of professors and Colonel Percy Rafael Caminero Calderon, the agents were withdrawn from the area.

Workers Demand Compensation

FL242350 [Editorial Report] Santo Domingo Radio Clarin in Spanish at 1600 GMT on 24 January carries a series of reports on continuing tension between sugar workers and police. According to a Clarin correspondent, police threw a large quantity of tear gas at a crowd gathered at a cemetery for the burial of sugar worker Mario Polanco, who was killed yesterday during street demonstrations. The correspondent reporter: "Hundreds of people have filled the streets, condemning the attitude of the police agents, who are practically occupying the municipality."

The announcer states that Catarey sugar mill workers in Villa Altagracia staged demonstrations yesterday demanding that the government pay 30 days' compensation from the last sugar harvest. The workers have declared an indefinite strike, and "a large number of the state sugar mills are paralyzed."

The same broadcast also states that the General Central Organization of Workers, CGT, blames the government for the deterioration of the political situation. According to the announcer, CGT Secretary General Julio de Pena Valdez warned: "If the authorities do not attend to the demands of the workers of the State Sugar Council, CEA, the protests could extend into the cities. In areas of Santo Domingo and other cities, strikes could result in support for the workers' demands for compensation." It was reported that De Pena Valdez added that the CGT supports the workers' struggle, "which resulted in the death of 1 worker, the imprisonment of more than 500 workers, and the militarization of the sugar mills." The trade union leader denies that the protests are a destabilizing factor, according to the announcer.

The announcer then notes that CEA director Victor Manuel Valles says the strike "is not a trade union movement but instead is politically motivated, but he would not name the political sectors behind the strike.

In the same broadcast Radio Clarin reports that "all CEA sugar mills and divisions have been militarized to prevent new incidents," without further expanding on the extent of militarization. The announcer reports that in addition to Polanco's death yesterday, several people were injured and dozens were arrested. The announcer says: "Today eight of the CEA sugar mills are paralyzed, and it is feared that the other four will suspend work within the next few hours due to the presence of police at the installations." The announcer adds that the strike coordinator has demanded the sugar mills be "demilitarized."

A report during the same broadcast indicates that the Boca Chica sugar mill "paralyzed" work today, with workers demanding compensation and protesting Polanco's death. According to the announcer, the workers indicate that the strike came about after a meeting with President Salvador Jorge Blanco, who promised to solve the sugar workers problems. "The president's response did not satisfy the demands, " says the announcer, who notes the strikes are expected to spread to other sugar mills.

The broadcast then includes a recording of an unidentified speaker reading a statement while military music is played in the background. The speaker says: "President Jorge Blanco has heard and satisfied the demands of the sugar workers' trade unions."

The announcer then reports that the CEA has begun to distribute benefits to workers: "Up to the moment, more than 1 million pesos have been distributed among workers." The announcer says: The CEA states that more than 2 million pesos have been distributed to sugar workers and has offered 10 days of compensation. "Nevertheless, the sugar workers refuse to accept 10 days' compensation and demand payment for 30 days," the announcer says.

PRESIDENCY SECRETARY DE CAMPS RESIGNS

PA241854 Paris AFP in Spanish 1830 GMT 24 Jan 86

[Text] Santo Domingo, 24 Jan (AFP) -- Hatuey de Camps, the Dominican secretary of state of the Presidency, generally regarded by observers as a sort of prime minister of President Salvador Jorge Blanco's cabinet, tendered his irrevocable resignation from his post, it was announced officially today.

The resignation is contained in a letter which De Camps addressed to the president, and observers immediately linked it with the crisis that has been affecting the ruling Dominican Revolutionary Party (PRD) for 2 months.

Speculation Surrounds Decision

FL251852 Santo Domingo Radio Clarin in Spanish 1600 GMT 25 Jan 86

[Text] The surprise resignation of Presidency Secretary Hatuey de Camps has led to much speculation. In national political circles the resignation was received with surprise, since De Camps was considered one of the most influential officials in government and had President Salvador Jorge Blanco's absolute confidence.

Analysts stress that the resignation came shortly after De Camps said there was no possibility whatsoever of an attempt to reelect Jorge Blanco, even though others maintain the contrary. In addition, it is reported that the young politican met yesterday for 45 minutes with the chief of state, and after that meeting he presented his resignation, saying it is irrevocable.

The resignation of the presidency secretary came as a surprise even to his closest colleagues. Political observers seem convinced that the whole story has not been revealed and that other reasons may be behind the resignation.

PRD RESIDENTIAL HOPEFULS REACH AGREEMENTS

PA260351 Paris AFP in Spanish 1712 GMT 25 Jan 86

[Text] Santo Domingo, 25 Jan (AFP) -- The presidential hopefuls of the Dominican Revolutionary Party (PRD, Social Democrat), Jacobo Majluta and Jose Francisco Pena Gomez, met for 4 hours last night and reached a number of agreements.

Close to midnight the only eyewitnesses at the meeting, leaders Jose Rafael Molina Urena and Leopoldo Espaillat Nanita, released a document signed by the four which outlines a number of agreements related to the internal rules of the party, the election of authorities at all levels, and the election of candidates for senator, deputy, mayor, and aldermen.

The document does not, however, make any mention of the main problem that is keeping the party on the verge of a division: the definition of the presidential candidacy, which has been up in the air since last November, when a shootout in the vote counting center for the direct election of all the candidates suspended the vote count.

The new Majluta-Pena Gomez summit was shrouded in total secrecy, and not even the site of the meeting was disclosed. The document signed indicates that contracts will be held in coming days to continue to try to discuss other topics pending solution.

According to observers, it is quite probable that the PRD will opt for the formula used by Uruguay or the one recently adopted in the Honduran elections, whereby both Majluta and Pena Gomez will appear on the ticket as candidates of the PRD, and the people will decide between the two. To adopt this formula it will be necessary to modify the Dominican electoral law through the Congress, where the PRD has an absolute majority in both houses.

CARICOM SECRETARY GENERAL REVIEWS PERFORMANCE

FL221918 Bridgetown CANA in English 1907 GMT 22 Jan 86

[Text] Georgetown, Guyana, Jan 22, CANA -- Secretary General of the Caribbean Community and Common Market Roderick Rainford has listed a major increase in the value of intra-regional trade and the adjustment of the area's economic structures among the urgent needs of the English-speaking grouping.

He described economic structural adjustment as unavoidable, and the need for increasing intra-regional trade levels as urgent and pressing.

He made the comments during a weekend news conference at which he reviewed the performance of a community he said had had successes and setbacks in 1985.

Looking at structural adjustment, he said: It is something that is an imperative, and what the region individually and collectively has to do at the present time and in the forthcoming years is to find the right strategy and the most viable options for achieving the required structural adjustment.

The secretary general said there had been a lot of negative impact on Caricom economies, coupled with internal pressure on the states. Together, these make it inescapable that the region should go through the necessary process of structural adjustment, Rainford asserted.

When Caricom leaders met in the Bahamas in 1984, they noted that structural adjustment was a critical issue the region needed to address. They were able to arrive at a joint understanding on the principles, policies and strategies which should in general terms inform and guide the efforts in the region, both at the individual and national levels, Rainford commented.

He said the value of intra-regional trade had fallen from 1.6 billion East Caribbean dollars (one EC dollar -- 37 cents U.S.) in 1981 to 1.1 billion EC dollars. Intra-regional trade declined 25 per cent between 1981 and 1984 and 10 per cent in the first nine months of 1985.

The urgent and pressing hold is to climb back to that level, once the decline is arrested, Rainford suggested.

He said intra-regional trade has geen lagging in recent years and indeed has been falling in recent years, but when you put everything into perspective all efforts must be made to arrest the decline in intra-regional trade.

He noted, however, that overall trade with third countries was also down.

...Even the reduced level of intra-regional trade still maintains the same relative share to total trade that was there in 1981, but the absolute level was higher, Rainford told reporters.

The ratio of intra-regional trade to total trade was said to have been higher in 1984 than it was in previous years.

...Intra-regional exports have been performing quite effectively from the pattern of total exports, in such a manner that intra-regional markets are becoming relatively more important to exporters in the region, than extra-regional markets, Rainford said.

There is a situation of all-round contraction, both in terms of total trade as well as in terms of trade levels within the region, and the share that intra-regional trade has has in terms of trade levels within the region has in general terms been maintained, and even increased.

Rainford said the region needed to identify and establish a whole range of industries on a joint basis.

Looking at the community's performance in 1985, he reported: There has been reasonable progress in some areas. There have been setbacks. Some things have not gone at the kind of pace that one would have wished and in many cases for obvious reasons.

He said the outstanding thing about Caricom was that the movement continues to survive, continues to operate.

He added: When you look around the world and you look at the difficulties and the buffeting that other integration movements have gone through and are going through, I think it is remarkable that in the case of Carcicom, despite the obvious difficulties; despite the obvious internal pressures and external pressures on the movement, it continued to be a solid rock of understanding within the Caribbean and will continue to operate in this manner.

BAHAMAS

PARLIAMENT MEMBER CLEARED OF BRIBERY CHARGES

FL242102 Nassau Domestic Service in English 1800 GMT 24 Jan 86

[Excerpt] Former Cabinet member and the member of Parliament for Rolleville Mr George Smith has been cleared of bribery charges and the charges against businessman Edward Bannister have been dropped.

The case against Mr Smith collapsed yesterday when the prosecution star witness Edward Ward failed to positively identify Mr Smith as the man he paid $100,000 to get him off the immigration stop list.

GRENADA

REPORTS OF FUNDS FOR FORMER DETAINEES REFUTED

FL241447 Bridgetown CANA in English 1356 GMT 24 Jan 86

[Text] St Georges, Grenada, Jan 24, CANA -- The United States has denied it provided any money to the Grenada Government to settle claims made by former detainees of the People's Revolutionary Government (PRG), which was ousted in a 1983 coup and subsequent american-led military intervention.

In a press release, the local office of the United States Information Service (USIS) says a story to that effect was seen in a local newspaper and the embassy states categorically that these allegations are not true.

In its January 17 issue, the GRENADA INFORMER reported that ex-detainees planned to stage a demonstration during President Reagan's visit here next month in order to let the President know that we have not received one penny of the 5,000,000 dollars granted by the U.S. Government to be disbursed among them as compensation for lost earnings.

According to informer adding fuel to the ex-detainees raging discontent, moreover, is the current rumour that government has diverted some of the compensation fund, temporarily at least, to other projects.

Setting the record straight, the U.S. Embassy said the United States paid claims for damages by the U.S. Armed Forces in Grenada subsequent to combat activities in October-November 1983 and, in an unusual gesture, made certain ex-gratia payments for combat-related damages.

In all cases, the claims were between the individual claimant and the Government of the United States and, following the settlement of all claims and the payment of claims where warranted, the U.S. Government's claims programmes were terminated some time ago.

LABOR MINISTER ON HUMPHREY'S EXTRADITION DENIAL

FL241728 Bridgetown CANA in English 1710 GMT 24 Jan 86

[Text] St Georges, Grenada, Jan 24, CANA -- Labour Minister Dr Francis Alexis says the appeals court rejection of an American request for the extradition of a leftwing trade unionist denies claims from those who make charges of human rights abuses in Grenada following the 1983 U.S.-led invasion.

...The fact that the court reached (that) decision... tells us something about the independence of the judiciary in Grenada and to that extent refutes completely those who say there are no institutions in this country to protect human rights, Alexis said.

The appeals court ruled on Tuesday in a unanimous decision that an American charge of gun-running against trade union leader, Chester Humphrey, did not merit his deportation even though an extradition treaty existed between the two countries.

Charges of human rights abuses were made last month by a liberal Washington research group, the Council on Hemispheric Affairs.

The group claimed civil rights violations in Grenada were fast becoming the worst in the English-speaking Caribbean.

Meanwhile, lawyer Anselm Clouden who as a former senior crown counsel helped lay the early groundwork for the case against Humphrey, said technicalities which led to his release could be removed by a review of outdated laws.

...What this brings out is the desperate need for a complete revision of our laws in that a law reform commission should be appointed with due speed to look into those obsolete statutes that are still on the statute books, he said.

There are a number of statutes that we have to repeal or revise and this can only be done when a law reform commission is set up for that purpose and mandated to do just that, Clouden added.

GOVERNMENT PLANS TO OPERATE MODEL FARMS

FL241350 Bridgetown CANA in English 1328 GMT 24 Jan 86

[Text] St Georges, Grenada, Jan 24, CANA -- The Grenada Government says it will shortly begin a campaign to attract persons interesting in managing state-owned estates which are being turned into model farms.

Very shortly there is going to be a notice put out inviting prospective farm managers to apply to the model farm project for management of industrial farms, Agriculture Minister George Brizan told CANA.

Brizan stated that the Organisation of American States (OAS) had provided Grenada with the services of a land use specialist who has helped with surveying and drawing up the government's plans for some of the proposed model farms.

He said that two of the eleven farms surveyed have already been sub-divided.

Brizan spoke of being confident that the model farm concept which is proving successful in St Lucia would resuscitate the agriculture sector, Grenada's chief foreign exchange earner and a major employment source in the rural areas.

He felt that the introduction of model farms would lead to an increase in the number [illegible] labourers owning their own plots and would demonstrate the fact that people would work harder on their own land.

The share of agriculture in Grenada's gross domestic product (GDP) fell from 21.9 percent percent in 1981 to an average of 18.5 percent in 1982-84 and was estimated at about 17 percent last year.

OAS Official To Head Project

FL241443 Bridgetown CANA in English 1347 GMT 24 Jan 86

[Text] St Georges, Grenada, Jan 24, CANA -- The Guyana-based Caribbean Community (Caricom) secretariat has provided Grenada with the services of a specialist to manage a multi-million dollar agricultural diversification and rehabilitation project here aimed at turning around a decline in the industry.

Agriculture Minister George Brizan says the official, Dr Winston Phillip, who has already arrived to take up the post, is expected to provide the management needed to make the project successful.

Brizan told CANA this project was one of three on which the one-year old Grenada Government would place emphasis during 1986 in an effort to resuscitate the industry, which in recent years has been on the decline due, among other things, to low morale among farmers.

The Washington-based World Bank last year approved a five million U.S. dollar loan to Grenada for the scheme, which seeks to get farmers to diversify the agricultural base from mainly production of cocoa, banana and nutmeg to include fruit cultivation, particularly in orchards, and cut flowers for export.

Brizan said all the preconditions necessary for disbursement of the loan funds had now been satisfied and the basic groundwork completed for bringing the project on stream.

Grenada had already secured the services of an Israeli firm, Agridev, to provide technical help in marketing the fruits.

Agriculture contributed an estimated 17 per cent to Grenada's gross domestic product (GDP) last year, compared with 21.9 percent in 1981.

HAITI

DUVALIER DISSOLVES POLICE, SHUFFLES OFFICERS

PA270138 Paris AFP in Spanish 0042 GMT 27 Jan 86

[Text] Port-au-Prince, 26 Jan (AFP) -- An official communique issued this afternoon announced that the Permanent Investigation Commission of the Dessalines barracks (official name of the Haitian Political Police) has been dissolved by President Jean-Claude Duvalier. He also made important changes within the Haitian Army.

Duvalier ordered the transfer of 11 senior officers to the reserves and replaced the leadership in two "strategic" combat units of the Armed Forces -- the Tactical Battalion of the Dessalines Barracks and the anti-guerrilla corps of the "Leopards" -- as well as those in charge of the Haitian Air Force and Navy.

Since 28 November, President Duvalier has been facing the most serious internal political crisis since his rise to power in 1971. The government has kept schools and universities in the country closed since 8 January.

GOVERNMENT ARRESTS ALLEGED KILLERS OF STUDENTS

PA252332 Hamburg DPA in Spanish 2045 GMT 25 Jan 86

[Text] Port-au-Prince (Haiti), 25 Jan (DPA) -- The Haitian Government announced the arrest of three men today who allegedly killed three Haitian students during an anti-government demonstration last November.

The three arrested are Captain Dieudonne Ulysse of the Armed Forces, Ceres Saint Phard, former commander of the VSN [expansion unknown] militia, and his associate Augustin Majeune, alias "Tit Fre."

The three students killed were Jean Robert Cius, Mackenson Michel, and Daniel Ismael.

The accused are being held by the police in the city of Gonaives, where the killings occurred. It was indicated that the Armed Forces captain will be court-martialed.

TRINIDAD-TOBAGO

GOVERNMENT ESTABLISHES RELATIONS WITH NORTH KOREA

FL231720 Bridgetown CANA in English 1502 GMT 23 Jan 86

[Text] Port-of-Spain, Jan 23, CANA -- North Korea and Trinidad and Tobago have established diplomatic relations, the Ministry of External Affairs said last night. The ministry did not say when the agreement was signed, but the North Korean CENTRAL NEWS AGENCY said it was initialled in Jamaica yesterday.

Trinidad and Tobago established diplomatic relations with South Korea last year.

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FOREIGN MINISTER ON 'EUREKA,' TALKS IN USSR

PY271414 Buenos Aires TELAM in Spanish 1014 GMT 27 Jan 86

[Text] Buenos Aires, 27 Jan. (TELAM) -- Argentine Foreign Minister Dante Caputo last night departed on a tour that will include several countries. The high point of the tour will be a visit to the Soviet Union where Caputo will sign trade agreements and pave the way for a summit meeting that President Raul Alfonsin and Soviet leader Mikhail Gorbachev will hold there in coming months.

Caputo described his trip as symbolic and explained that he will discuss with the Soviet officials such issues as detente, bilateral relations, Gorbachev's disarmament proposal, and President Alfonsin's upcoming visit to the USSR that will take place in the second half of this year. Caputo made these remarks last night at the Ezeiza International Airport shortly before boarding an Aerolineas Argentinas flight that took him to Paris, from where he will leave for his trip to the Soviet Union tomorrow.

During his talk with the press, Caputo also said that the Central American issue should be left in Latin American hands, although he pointed out that it is a source of regional tension and hoped that he would have a chance to discuss it with the Soviet Government.

Asked about Argentina's possible participation in the French defense plan called "Eureka," Caputo stated that offhand he would say no, but admitted that there are other Latin American countries that want to participate in this plan. Caputo also said that some European countries do want to participate in "Eureka," but we (Argentines) do not have concrete possibilities of joining the plan for the time being. He went on to say that we will have to make a considerable effort this year in order to overcome part of the severe technological lag of our Latin American countries.

Finally, upon being asked whether Argentina will purchase planes from Brazil or from any other Latin American country, Caputo answered that this question should be asked of the Argentine defense minister.

Caputo is planning to stay in the French capital until 28 January, when he will depart for Moscow, where USSR head of government Mikhail Gorbachev will welcome him upon his arrival. At the end of his visit to the Soviet Union, Caputo will depart for Hungary on 1 February for a 4-day official visit. From there he will go on to Geneva where he will address the UN Disarmament Commission on 7 February. Caputo's tour will end in New York where he will meet UN Secretary General Javier Perez de Cuellar to discuss the Malvinas issue.

PLANNING MINISTER ON STABILIZATION COUNCIL

PY271720 La Paz Cadena Panamericana in Spanish 1130 GMT 27 Jan 86

[Passages within quotation marks recorded]

[Text] Panamericana has interviewed the new planning and coordination minister, Gonzalo Sanchez de Lozada. We asked him why staple prices will be reduced at the same pace as the dollar exchange?

[Sanchez] "Well, I believe that in our new economic policy the government should not regulate prices but should rather try to guarantee supply and even try to create an oversupply to prevent speculation and hoarding of staples. We believe that this will be positive."

Sanchez announced that as of today the price of gasoline will be reduced slightly. But what will happen with other products? Will transport and staple prices be reduced?

[Sanchez] "Those who have bought merchandise at an expensive dollar exchange rate must become convinced that the dollar exchange rate will become stable at about 1.8 or 2 million Bolivian pesos. Therefore, they will have no option and will have to lower their prices or else [word indistinct] will decrease first, and they will have no market.

"However, despite businessmen's resistance to these priority measures, our most important task is to gain the people's trust. We did not fix the dollar exchange rate at 1.8 million arbitrarily. We first made technical studies about money issuance, inflation, and prices and concluded that the true exchange rate is 1.8 and that all other rates were just speculation. The logical result of this study was that prices fell as soon as it was announced that there would be a larger food supply because of the exchange rate.

"I believe that the plan [words indistinct] prices, therefore there is a larger offer, so we can now be certain that there is more flour, sugar, and oil. Now you will see how prices will fall further, to more realistic levels, and how speculation will end. This is not easy. I think it will still take about 2 or 3 weeks before we gain the people's confidence and they believe that the economy will really become stable. Then they will immediately start (?paying the prices). We will do everything possible without having to issue decrees or having to overburden anybody. We must ensure the reduction of prices to ensure a growing supply."

There will be no salary increase for the public sector, but the private sector is authorized to negotiate freely between workers and employers on salary adjustments.

[Sanchez] "It is not possible, because if we authorize a salary increase we will only encourage hyperinflation once again. The Bolivian people have many years, mainly the last 3 years, of experience which shows that great salary increases have simply meant that salaries were worth much less by the end of the month, and then things would start all over again."

Minister Sanchez remarked that the government's economic policy aims at strengthening the purchasing power of salaries.

He also said that negotiations will have to be held between bus drivers and the municipalities to reduce current fares, because, considering the dollar exchange rate and the stabilization tendency, there is no further justification to increase tariffs. Our last question was: What will the National Council of Stabilization and Economic Reactivation do?

[Sanchez] "Well, its main function will be that of control. No inflationary money issuance will be authorized without the approval of this council, presided over by the president. Its executive secretary is the planning and coordination minister. All the decisions of this council will be channeled through my ministry. It will verify that no misadjustments take place. It will really control the economic situation and make sure that hyperinflation will come to an end, once and for all."

The council is, then, an instrument of control, and it will also try to strengthen the efforts to solve our national economic problems, Minister Sanchez concluded.

COB Skeptical of Economic Model

PY271849 La Paz Cadena Panamericana in Spanish 1130 GMT 27 Jan 86

[Excerpts] Bolivian Labor Confederation [COB] leader Gonzalo Vizcarra Pando has told Panamericana that the workers are convinced that the new cabinet will not change anything; on the contrary, the government's economic policy will continue to be applied without improving the workers' salary situation.

[Begin Vizcarra recording] The COB, through its main leaders, has already expressed its position regarding the government's economic model. We believe that the planners of this model, like Minister Sanchez de Lozada and the finance minister, will not change their position of not increasing salaries. We workers are fully aware of this. We know that we will not obtain anything from them.

However, we are also aware that the purchasing power of salaries, which has been reduced to a minimum, cannot be recovered in the next weeks; we are sure of this. We do not believe in the government's promises, because the true facts can be observed in the markets, and the public is witness to what is going on. The working class, and the housewives in particular, are anguished at the current situation in which we can observe daily price increases, such as the one for transportation, which have served only to consume the 30 million Bolivian pesos of the workers' minimum salary. So workers are pessimistic about this matter. We know the model and its objectives, so we do not believe in any government statement or promise. [end recording]

Despite the Interior Ministry communique and commentaries by some government ministers and officials, the COB considers the 23 January strike totally successful.

[Begin Vizcarra recording] The proletarian sector, that is, the factory, mine, railway, and National Roads Service workers, dutifully complied with our strike on 23 January. This leads us to believe that this is certainly the beginning of a very long and hard struggle. We will systematically and gradually start to implement a series of new measures which will be subject to what may be decided by the COB Executive Committee, together with the most important national organizations. We do not want to precipitate anything. We will observe how the situation develops. We will wait for what the president says. We are waiting for his specific reply to the petitions presented to him by a minidelegation from the COB and under secretaries. We are waiting for all this, and later we will decide on our future measures. [end recording]

NICARAGUAN AMBASSADOR VISITS, SEEKS SUPPORT

PY271705 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 86 p 6

[Text] In Porto Alegre, Nicaraguan Ambassador to Brazil Jorge Jenkins Molieri has visited the legislative branch, the judicial branch, the mayor's office, and the seat of the state government. Jenkins Molieri has stated that during his stay in Rio Grande do Sul, which will last until 25 January, he will contact human rights organizations and church representatives in an effort to secure support for his country. During a press conference at the Organization of Brazilian Attorneys, Jenkins Molieri stated that he expects assistance from the Brazilian Government "to ensure peace." "We want the government and the human rights and solidarity organizations, the trade unions and professional associations to help us, thus preventing, through their support, U.S. military intervention in Nicaragua," Jenkins said.

According to Jenkins, Nicaragua also expects material assistance from the trade unions, the professional associations, and the church, such as shipments of medicines and foodstuffs, and technical personnel to work. Jenkins guaranteed that the Brazilians who went to Nicaragua to work in the coffee harvest are far away from the risk areas.

TUCANO PLANE CONTRACT REVIEWED WITH EGYPT

PY271906 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 86 p 6

[Text] Aeronautics Minister Octavio Moreira Lima yesterday received Arab Organization for Industrialization (AOI) President Ahmad Zandu Egyptian Air Force General Salih Musa, and Brazilian Aeronautics Company [Embraer] Director-President Colonel Osires Silva to discuss industrial matters of interest to the two countries, especially concerning the manufacturing of Tucano airplanes. The Tucano is an advanced training airplane used to train pilots, and offers handling similar to that of a jet.

According to Col Silva, the meeting was a courtesy visit to review a contract signed in 1983 between Embraer and the Egyptian Defense Ministry for the construction of Tucano airplanes. The parts are manufactured in Brazil and taken to the AOI, which represents a Middle East consortium for the production of war materiel, for assembly. Concerning this contract, the Embraer won a bid against the company Oerlykon, which manufactures the Pilatus airplane, and the U.S. company, Beechcraft, which manufactures the T-34 airplane. The contract foresses the construction of a total of 120 Tucano airplanes, 80 of which will be delivered to Iraq and 40 to Egypt. Eleven Tucano airplanes have already been delivered to the Iraqi Air Force. Each Tucano airplane costs $1.2 million.

This is the first visit the AOI president and the Egyptian Air Force general have made to Brazil and is part of the meetings between the two countries being held in Cairo, at the OIA headquarters, or in Sao Jose dos Campos, the Embraer headquarters.

New contracts between the two countries have not been signed. However, Col Silva stated that the Brazilian Government is very interested in reaching new agreements with Egypt for the production of war materiel because both the Egyptian Aeronautics Ministry and Defense Ministry are satisfied with the Tucano. Ahmad Zandu is leading a team which has been reviewing the contracts for a week. Zandu's visit will conclude today in Sao Jose dos Campos where Embraer and OIA representatives will sign a memorandum of the meeting.

POLITICAL OBSERVERS PREDICT CABINET CRISIS

PY280142 Santiago Radio Chilena in Spanish 2200 GMT 27 Jan 86

[By reporter Alejandro Guille]

[Excerpts] While the Democratic Alliance [AD] and the Popular Democratic Movement [MDP] are evaluating last week's critical situation, it has been assured that General Pinochet is going to announce important Cabinet changes on 31 January. The word crisis was repeatedly used by the press last week after the parties that make up the opposition AD were not able to agree on a joint response to the MDR's proposal for a single opposition plan for social mobilization aimed at recovering democracy.

It has been assured that the long-expected Cabinet changes will occur on 31 January. It is expected that Interior Minister Ricardo Garcia will leave. He came to the government as the man who was supposed to lead the country to a transition to democracy, which has not occurred. He reportedly will be replaced by the current Chilean ambassador in Washington, Hernan Felipe Errazuriz, who reportedly has good contacts in Washington and who can help improve relations with the U.S. Government.

However, observers are not too optimistic. They say that under the current circumstances, it will only be a change of name because the president is the man who makes all the decisions. They say that the Cabinet changes will not be of much value. They also believe that Health Minister Winston Chinchon is going to leave the administration because he is opposed by the professionals of the health sector. Observers feel that the government's goal is to ease the tense relations between the government and the health sector, which in the last few days has shown a great ability to mobilize.

Officials Refute Reports

PY271842 Santiago Radio Chilena in Spanish 1745 GMT 27 Jan 86

[Relay from Government Palace by Eliere Enriquez]

[Excerpt] Reliable sources at La Moneda Palace today denied the possibility of a Cabinet crisis as reported by some press sources. According to the report, within the next few days the executive branch will ask Interior Minister Ricardo Garcia and Health Minister Winston Chinchon to resign. However, Government Palace sources today categorically stated that the reports are completely untrue. [end relay]

CUSTOMS AUTHORITIES THWART WEAPONS CONTRABAND

PA270151 Madrid EFE in Spanish 0912 GMT 26 Jan 86

[Text] Medellin, 25 Jan (EFE) -- Customs authorities at the international airport in Medellin have arrested two men who tried to bring into the country contraband weapons concealed inside musical equipment and a suitcase. Brothers John Jairo Loaiza Rojas and Bernardo Octavio Loaiza Rojas 27 and 31 years old respectively tried to bring in a considerable number of weapons on board a regular flight of Avianca Airlines.

According to a Customs spokesperson at the Jose Maria Cordova Airport in Medellin, four submachine guns, two pistols, and their clips were found among the belongings of the two Colombian nationals who claimed to be businessmen in Miami (U.S.A.). The weapons, as well as a considerable amount of ammunition, were concealed inside sound equipment and in the bottom of a suitcase.

Customs officials reported that an UZI 9mm submachine gun, several 9mm Luger submachine guns, and .22 cal pistols were among the weapons seized. The authorities ordered an investigation to determine the destination of the weapons and redoubled vigilance at the air terminal.

3,000 TROOPS SENT TO FIGHT REBELS IN CAUCA

PA272009 Bogota Cadena Radial Super in Spanish 1730 GMT 27 Jan 86

[Text] Popayan -- The National Army has deployed 3,000 troops to counter the subversive attacks of the self-styled National Coordinating Board, according to military sources. It was learned that Cauca Department has been declared a fighting zone in view of the renewed activities of the M-19 [April 19 Movement], the Ricardo Franco, and the Indian Quintin Lame rebel groups, which have already left a toll of some 50 casualties.

BRIEFS

INCREASED OIL PRODUCTION -- Bogota -- According to Ecopetrol [Colombian Petroleum Enterprise], Colombian oil production increased by 16.83 percent; that is, 28,438 barrels by the end of 1985. The largest increase took place in joint production enterprises with Houston Oil and Occidental. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 25 Jan 86 PA]

DRUG ARRESTS, CHEMICALS SEIZED -- Two people were arrested yesterday and seventy 55-gallon drums with chemicals to process cocaine and other hallucinogenic drugs were seized during an operation against drug traffickers carried out by Medellin's metropolitan police. Jesus Emilio Marin, 57, and Andres Piedrahita, 19, were arrested during this operation. [Summary] [Bogota EL SIGLO in Spanish 21 Jan 86 p 2 PA]

PRESIDENT DENIES 'NEW SUBVERSIVE GROUP' FORMED

PA271810 Paris AFP in Spanish 1811 GMT 25 Jan 86

[Text] Quito, 25 Jan (AFP) -- Ecuadoran President Leon Febres Cordero denied on Friday that a new subversive group, which had allegedly occupied the Monument to the Heroes on Quito's Freedom Hill momentarily on Wednesday, had appeared.

The president told several correspondents and Ecuadoran reporters that accompanied him to the northeast Ecuadoran Amazon region yesterday: "I have official information that this action was carried out by a group of drunkards who, at the first shot fired by one of the troops guarding the monument and the museum, fled in a hurry."

On Wednesday, telephone calls and pamphlets sent to several media, including AFP, announced the appearance of a group called "Free Homeland Montoneras," which claimed to have subdued the four military troops that guard the monument, where the last battle for independence was fought in 1822, on the slope of Pichincha mountains in the outskirts of Quito.

The Montoneras had reportedly stolen several weapons and uniforms from the museum, which shows exhibits of the colonial and independence era.

Febres Cordero stressed that there are no guerrillas but that there are subversives [subversivos], "which is synonymous with drug traffickers. [no end quotation mark as received]

The group Alfaro Lives has been operating in Ecuador for almost 3 years.

CRUDE OIL PRICE DROPS TO $20 PER BARREL

PA260424 Madrid EFE in Spanish 0125 GMT 26 Jan 86

[Text] Quito, 25 Jan (EFE) -- Ecuador reduced the price of its oil on the international market to $20 a barrel, as a result of the plummeting world prices. The drop in the price of Ecuador's commercial crude has been continuous, and in the past 5 weeks it dropped by $5.00.

If one considers that for each dollar drop in the price the country loses $60 million in revenue annually, then the market crisis threatens to seriously harm Ecuador's economy.

In statements to Guayaquil reporters, President Leon Febres Cordero said yesterday that the situation is "very dangerous."

Meanwhile, the dollar quotation on the free market reached a record figure of 135 sucres in Quito and 137 in Guayaquil. President Febres Cordero blamed the latter on the "immoral speculation of a few individuals who want to profit from the free exchange market."

"This is not an important problem" he added, "as the free market dollar is not vital for the economy because it is only used to purchase luxury items, for trips abroad and other things of that sort."

The president said that to correct all of these anomalies "severe measures" will have to be adopted in short term. These measures "will soon be announced."

President on Price Level

PA250357 Paris AFP in Spanish 0218 GMT 25 Jan 86

[Text] Guayaquil, Ecuador, 24 Jan (AFP) -- President Leon Febres Cordero today admitted that the levels to which the price of oil has dropped "are dangerous not only for Ecuador but for the world," and that "the situation is serious."

"Even though we are prepared to confront the crisis, the crisis will vary depending on the level the prices may reach," he added, after insisting that the current levels are dangerous. However, he expressed optimism that the price on the market will recover.

The president regretted the fact that Ecuador does not have storage capacity. "That has been one of the biggest mistakes of the oil policy, despite the opinion of a certain whippersnapper" -- referring to General Rene Vargas, former Ecuadoran State Petroleum Corporation (CEPE) manager, whom Febres Cordero did not mention by name -- "who tries to come up with a policy every day without realizing that he is one of those responsible for this country's lack of storage capacity," Febres Cordero said. Febres Cordero stressed that as long as Ecuador does not have its own storage capacity it will have to sell its oil or leave it under the ground.

The president explained that the state has only partial control over the mechanisms to establish the prices of oil. "We do not know if we will be able to maintain our price on a market that is responding to an excess of offers based on limited demand," he added.

Finance Minister on Effects

PA271632 Quito Voz de los Andes in Spanish 1130 GMT 27 Jan 86

[Text] Finance Minister Francisco Swett Morales has stated that the government budget could be affected by 3 billion sucres due to the drop in petroleum prices. However, he stressed that the renegotiation of the foreign debt with better interest rate terms will compensate for the current crisis. Regarding the alternatives to face this crisis, the minister said:

[Begin recording, in progress] ...in economic policy to act solely on the supposition that petroleum price will be [words indistinct]. We have maintained and will continue to maintain the view that the market will continue to be moderate throughout 1986 and that there will be no drastic reductions. The government budget is based on a daily production of 283,000 barrels. According to Decree No 18, which establishes the increase in wages and salaries in 1986, any amount above 283,000 barrels will directly benefit the state budget. At this time, this amounts to 20,000 barrels a day, which permits us to compensate for the drop in prices. We believe that throughout 1986, the daily production rate will be maintained above 300,000 barrels and it might reach 305,000 or [figure indistinct] barrels. As I said, this will compensate for the figures estimated in the budget. As is known, business taxes have also been increased. We are also implementing a very exhaustive plan to collect business and income taxes, which we have always believed should be the main source of financing the budget rather than resources such as petroleum, which are unfortunately affected by the international market. [end recording]

That was Finance and Public Credit Minister Swett Morales referring to the complementary measures or alternatives to offset the impact of the drop in oil prices on the national budget.

POLICE PREVENT MOPOCO MEMBERS FROM MEETING

PY271213 Asuncion EL DIARIO in Spanish 26 Jan 86 p 14

[Text] Following orders from higher officials, the police yesterday prevented a plenary meeting of the Paraguayan Colorado Popular Movement [Mopoco] from taking place in Asuncion in the house of Julio Cesar Vasconcellos, at the corner of R.I. 3 Corrales and Boggiani Streets. A large police deployment could be observed since early yesterday morning around Vasconcellos' home where the Colorado Party dissidents' meeting was to have taken place. As they arrived, the participants were told by the police that the meeting was not to be held.

The host, Julio Cesar Vasconcellos, has reported that according to orders, the plenary meeting of their movement would not be allowed to take place anywhere in the country. He also reported that the Mopoco members had planned to analyze the Paraguayan political situation, during the plenary meeting as well as the national dialogue proposed by some political groups and in which the church had offered to mediate.

Further Restrictions Imposed

PY280156 Asuncion Radio Primero de Marzo in Spanish 2350 GMT 27 Jan 86

[Text] The police have imposed strong restrictions on members on the Colorado Popular Movement, Mopoco. Since last weekend, no more than three Mopoco members have been allowed to meet. Two Mopoco members were summoned early this morning to the Investigative Police Department. They are Anibal Abatte, a Mopoco leader who came from Foz de Iguazu for the meeting scheduled on 25 January, and Edgar Gimenez Meza, who also came for the same purpose from Buenos Aires. After being interrogated, they were allowed to return home. The police also took Eduardo San Martin, Antonio Gonzalez, and Waldino Ramon Lovera to the Investigative Police Department. Police guards have been installed in the hall of the Monumental Building to control the people entering the building, where Waldino Ramon Lovera has an apartment which also serves as an office of the Mopoco Political Committee.

PRESIDENT GARCIA TO VISIT EUROPE IN APRIL

PY251255 Paris AFP in Spanish 0012 GMT 25 Jan 86

[Text] Lima, 24 Jan (AFP) -- President Alan Garcia will travel to France next April, Congressman Carlos Roca, leader of the American Popular Revolutionary Alliance Party, said here today after a meeting in Government House with the president. He said that the two main activities on Garcia's agenda will be: First, to address the European Parliament in Strasbourg, and then meet with President Francois Mitterrand, at the French president's invitation. Roca will depart tomorrow for Italy and Spain to coordinate some activities related with the Socialist International that will take place in Lima in the next few months.

DELEGATION TO ATTEND HONDURAN INAUGURATION

PY250141 Paris AFP in Spanish 0341 GMT 24 Jan 86

[Text] Lima, 23 Jan (AFP) -- It was officially reported here today that a delegation headed by Senator Carlos Enrique Melgar will represent Peru at the inauguration of new Honduran President Jose Azcona.

Melgar, a prominent member of the ruling social democratic American Popular Revolutionary Alliance [APRA], will leave for Tegucigalpa tomorrow to attend Azcona's inauguration on 27 January. Melgar, who presides over the Senate Foreign Affairs Committee, will convey the personal greetings of Peruvian President Alan Garcia to his Honduran counterpart.

The delegation will consist of Melgar; Jorge Gordillo, Peruvian ambassador to Honduras; and Ambassador Jorge Vegas Nohrmann. Melgar will stay in Honduras for 3 days.

CONGRESSMEN ATTEND HAVANA EDUCATION MEETING

PY271403 Paris AFP in Spanish 1646 GMT 26 Jan 86

[Text] Lima, 26 Jan (AFP) -- Five Peruvian deputies left for Havana today to participate in a Latin American education and culture meeting that will gather personalities and experts on Latin American education. The congressmen are responding to an invitation from the Cuban education minister.

Chamber of Deputies Education Commission President Norman Arellano, who is heading the delegation, has reported that during the meeting opinions will be exchanged on literacy and teaching of handicapped children. Arellano said that teacher training and educational methods and programs, which are very important questions for the Peruvian Education Ministry, will also be discussed. The congressmen will be in Havana for a week.

BRITISH OVERSEAS COOPERATION OFFICIAL VISITS

PY271610 Lima Radioprogramas del Peru Network in Spanish 2300 GMT 25 Jan 86

[Text] The head of division of the British Development Division for Latin America and the Caribbean from the Overseas Development Administration of the British Government, Kenneth Woolverton, is in Peru for 7 days.

He is the head of the department charged with administering the British program of technical cooperation with Peru, which has a 1-million pound budget. He will meet with officials of the Foreign Ministry, the National Planning Institute, Electroperu, [words indistinct] so that he can evaluate the agricultural cooperation programs in Cajamarca.

INTERIOR MINISTRY OFFICIAL RETURNS FROM DPRK VISIT

PY251301 Lima America Television in Spanish 0300 GMT 25 Jan 86

[Text] Interior Deputy Minister Augustin Mansilla returned today to Lima from North Korea, where he had gone to purchase modern weapons for the police forces. Mansilla was welcomed by officers of the three police forces. Later, he went to Government palace to brief President Alan Garcia on the results of his trip. Mansilla declined to make remarks to reporters who were awaiting him at Lima's main airport.

COMMISSION CRISIS DUE TO 'GOVERNMENT INDIFFERENCE'

PY271640 Madrid EFE in Spanish 2327 GMT 25 Jan 86

[By Marisol Marin]

[Text] Lima, 25 Jan (EFE) -- Although Peruvian President Alan Garcia confirmed his confidence in the Peace Commission last night, the report this commission has submitted to the chief executive reveals that in Peru there are more than 1,300 reports on persons missing after having been arrested in the last few years, and that nothing has been done to bring the culprits to justice.

This report, to which EFE has had access, was delivered to President Garcia on 21 January together with the letter in which the members of the Peace Commission offered to resign and deplored the lack of political support for their proposals.

The six-member Peace Commission was created on 15 September 1985 after the discovery of two common graves in Pucallapu and Accomarca, the former containing seven bodies and the latter 69.

The commission was entrusted with reviewing the legal status of prisoners charged with terrorist activities, coordinating the expediting of trails, relaying to the government reports on violations of human rights, and establishing a dialogue with groups engaging in violence.

The commission's report states that out of the 1,300 cases of persons missing after their arrest there are 400 "fully documented" by a UN task force. It adds that "despite the seriousness of the problem and the fact that there is enough evidence for a trial, nothing has yet been done. Obviously a situation like this does not further pacification or full respect for constitutional institutions, or for the government elected democratically in 1985."

It also says that after 28 July, when the current [APRA] administration took over, the office of the provincial district attorney in Huamanga (Ayacucho) received 54 new reports of persons missing after being arrested.

The chapter on terrorism in the Peace Commission's report states that there are approximately 1,000 people charged with terrorism activities, and 96 percent of them are merely indicted, that is, awaiting the conclusion of the trial and sentencing.

The report deplores the fact that it never received any information from the Justice Ministry concerning the fate of 160 prisoners whose release the commission had been seeking in view of the lack of any concrete evidence that the prisoners had participated in terrorist activities.

Alan Garcia asserted yesterday that dozens of these people have already been released, while more than 100 others have benefited from the ruling of the state prosecutor that there are no grounds for proceedings against them.

In conclusion, apparently contradicting the chief executive, the Peace Commission's report asks that International Red Cross officials be allowed to enter prisons in the emergency zone, something which they have been unable to do since 1983, because it has been expressly prohibited by the political and military command.

In response to a reporter's question, Garcia answered yesterday that the Red Cross may enter the emergency zone. He added: "We have said that they can do anything they want to ascertain that we do not have torture or summary executions down here."

Despite the public support the president recently gave the Peace Commission, one of the commission members, who chose to remain anonymous, has said that the commission's crisis was "the result of the indifference of government branches in general and of the executive in particular."

He added that the commission held only one working meeting with the president, on 30 October 1985, and one other meeting with the members of the Armed Forces Joint Staff, and that the commission has never been provided with any means.

The Peace Commission member went on to say that during the meeting with the military the difference in viewpoints became obvious: "Their problem was how to win the war, while for us the problem was how to win it without razing everying to the ground: government institutions, the courts, etc."

The exact number of casualties in this war is unknown, but according to official estimates, some 6,000 people, mostly civilians, have died, and between 80,000 and 120,000 have been forced to leave their homes.

SEVERAL BOMBS EXPLODE IN LIMA COMMERCIAL AREA

PY241531 Paris AFP in Spanish 1554 GMT 23 Jan 86

[Text] Lima, 23 Jan (AFP) -- Lima police have announced that guerrilla commandos threw bombs at five large supermarkets, a movie theater, and a municipal building in Lima. The authorities added that the explosions, which occurred from 0300 GMT to 0900 GMT, caused substantial damage and slightly injured two people. Some suspects were arrested. In a telephone call to the offices of the Lima daily LA REPUBLICA, Tupac Amaru Revolutionary Movement (MRTA) guerrillas claimed responsibility for at least one of the attacks. The targets of this attack were the Sears supermarket in downtown Lima, which is two blocks away from Government Palace, the Galax supermarkets in Chacarilla, Todos in Salamanca district, and a Sears supermarket in San Miguel district -- where there was a partial blackout A municipal building and a movie theater in San Isidro were also hit. In what is the beginning of a real terrorist offensive, according to the authorities, last Monday in Lima, armed MRTA commandos hurled bombs at a hotel, a museum, five restaurants, and the Navy Ministry.

Meanwhile in Chimbote, 412 km north of Lima, MRTA commandos occupied a radio station and broadcast a subversive message.

At the same time, in Cerro de Pasco, 317 km east of Lima, the Maoist Shining Path guerrillas bombed the offices of the ruling Amerian Popular Revolutionary Alliance [APRA] party, a shopping center, and eight generators. The resulting loss of power caused several mines in that Andean region to stop operating.

Monday's attacks were also felt in the Ayacucho Department town of Huanta, a Shining Path stronghold, where government offices were hit, injuring 21 people and causing serious losses to mining activities in the central Andean area.

Police sources questioned by AFP today admitted that they have noticed the escalation of terrorist activities. Recent government announcements stated that subversion was subsiding and that the Shining Path organization had been virtually defeated in Ayacucho and the neighboring Apurimac and Cuzco Departments, and was moving to areas in northern Peru.

These government statements were followed by unofficial reports that the state of emergency in the areas affected by guerrilla activities would be lifted. The state of emergency was suspended in 10 of the 29 provinces under military control in December 1985.

However, several hours ago War Minister General Jorge Flores Torres stated that it is not true that the state of emergency will be lifted in the provinces that are not yet pacified. He added that an assessment of the current situation is being made, but failed to elaborate.

Thus far this month guerrilla activities have caused 21 deaths. According to police estimates, more than 7,000 people have died in the past 5 years as a result of guerrilla activities.

THIRD GROUP JOINS MRTA, SHINING PATH OFFENSIVE

PY252336 Paris AFP in Spanish 2256 GMT 24 Jan 86

[Text] Lima, 24 Jan (AFP) -- A third subversive group, the People's Revolutionary Commando [Comandos Revolucionarios del Pueblo -- CRP], today joined the offensive that is being carried out by the urban MRTA guerrillas and the rural Shining Path subversives.

A CRP detachment occupied a small printing shop this morning in a low-income sector of upper Lima and forced the workers to print a sign stating "No to APRA's surrender, OXY (acronym of Occidental Petroleum Corporation, the U.S. company that exploits oil in the Peruvian jungle) get out. The oil is Peruvian." The sign depicts a group of people marching and carrying flags and signs.

The CRP is a splinter group of the MRTA. It appeared in Lima some 3 months ago when it occupied the offices of the Spanish news agency EFE and a radio station. There is no information about its participation in terrorist attacks.

Meanwhile, the police have seized MRTA weapons and propaganda in a building they raided today in the San Juan de Lurigancho neighborhood of southeastern Lima. No arrests were made.

PRESIDENT TO DISCUSS OIL MARKET WITH LUSINCHI

FL271342 Mexico City NOTIMEX in Spanish 0115 GMT 26 Jan 86

[Text] Caracas, 25 Jan (NOTIMEX) The Presidents of Mexico and Venezuela, Miguel de la Madrid and Jaime Lusinchi, will meet in Mexico City next week to seek ways to avoid the worsening of the international oil market.

This announcement was made here officially by Venezuelan Foreign Affairs Minister Simon Alberto Consalvi, following a meeting with Mexican Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa, who said that a meeting of the continent's two largest oil exporters will contribute to the search for ways to alleviate the situation of the international oil market.

The energy secretary arrived here last Friday in search of agreements that may permit both countries to avoid possible decreases in the price of oil.

Labastida Ochoa said that Mexico and Venezuela can work together so the oil problem will not get worse. He explained that this is the goal of the meeting of Presidents Miguel de la Madrid and Jaime Lusinchi.

LABASTIDA TO ATTEND AZCONA DEL HOYO INAUGURATION

FL271620 Mexico City NOTIMEX in Spanish 0205 GMT 26 Jan 86

[Text] Caracas, 25 Jan (NOTIMEX) -- Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa traveled today from this city to Tegucigalpa, Honduras, where he will attend the swearing-in of Honduran President-elect Jose Azcona del Hoyo.

The official is the personal representative of President Miguel de la Madrid and is accompanied by Senator Antonio Riva Palacio, president of the Grand Commission of the Senate [as received], the under secretary of international cooperation in the Secretariat of Foreign Relations, Ricardo Valero, and the general director for Latin America and the Caribbean, Ambassador Carlos A. Icaza.

Labastida Ochoa visited Carascas to meet with President Jaime Lusinchi and Minister of Energy and Mines Arturo Hernandez Grisanti, with whom he spoke at length about the situation of the international oil market.

FINANCE SECRETARY ATTENDS LONDON DEBT MEETING

FL271640 Mexico City NOTIMEX in Spanish 2250 GMT 25 Jan 86

[Text] Mexico City, 25 Jan (NOTIMEX) -- Before Mexico adopts financial emergency measures because of the drop in the price of crude oil, the situation must be studied calmly and carefully, Secretary of Finance and Public Credit Jesus Silva Herzog has stated.

Silva Herzog said that, faced with a volatile situation, the consequences of the drop in the price of hydrocarbons on the international market must be reviewed carefully and prudently.

The Finance Secretary made the preceding statement before leaving for London, England, where he will participate in a financial meeting in which he and his Brazilian counterpart will present the Latin American point of view of the foreign debt. The participants in this meeting will also hold conversations with European ministers of finance who attend the meeting.

Silva Herzog ended by saying that it may be a good moment to review the problems that Latin America now faces.

The Finance Secretary is accompanied by the director of social communication of the Secretariat of Finance and Public Credit.

DATA BANK ACCESS AGREEMENT SINGED WITH USSR

FL272238 Mexico City NOTIMEX in Spanish 2155 GMT 25 Jan 86

[Excerpt] Mexico City, 25 Jan (NOTIMEX) -- The National Council for Science and Technology, Conacyt, and its Soviet counterpart have signed an agreement for mutual access to date banks.

Conacyt information services director Enzo Medina reported this during the plenary meeting of the National Committees of Data Banks held at Conacyt headquarters. It was decided that Cuba will be the communications link for the execution of the Mexican-Soviet agreement.

After signing an agreement with Cuba's Institute of Scientific and Technical [documentation] Information, another achievement will be the exchange of primary and secondary publications, such as translations. Traditional computer equipment problems will be solved by installing a Soviet machine.

MOLIRENA COMMUNIQUE VIEWS NATIONAL CRISIS

PA272250 Panama City LA PRENSA in Spanish 22 Jan 86 p 7 B

[Communique issued by the Political Commission of the Nationalist Liberal Republican Movement, Molirena, in Panama City, dated 20 January]

[Text] Analyzing the political, economic, fiscal, and social situation of the country at a meeting held on Saturday, 18 January 1986, the Molirena Political Commission decided that it is most necessary to make the following statement:

1. It is undeniable that the regime installed on 11 October 1968 has led the country to the disastrous situation it is enduring.

2. The regime is worn out, and the country cannot expect it to solve the grave problems Panamanians are facing.

3. An expression of this weariness is the fact that the government can find nothing better to do than resort to insults, slander, and diatribe to attack those who dare to dissent.

4. The situation of virtual fiscal and financial bankruptcy the Panamanian state is facing in its worst institutional crisis ever is the result of the waste, abuse, and irresponsibility that characterized the government of the so-called [revolutionary] process during the 17 years it has existed. This situation has forced the regime to accept conditions calling for structural and administrative changes and for the rationalization of public expenditures. These measures are necessary to begin marching on the road to fiscal health, but they have been imposed by international organizations, something that truly offends the sense of independence and dignity of Panamanians.

5. Regardless of the final result of the conflict currently taking place in the government between those who support the economic measures proposed by international financial circles and those who oppose them, the fact is that in view of the advanced state of deterioration the country is enduring, economic measures would be nothing but mitigation and will not contibute to resolving the profound political, economic, social, and moral crisis.

6. The essence of our problem is of a political nature, and so it is necessary to produce a profound transformation that will allow the country to have a truly civilian government under which the military will truly and definitely resume the professional functions of that sector.

7. Molirena reiterates the following:

a) Its opposition to the current regime and everything it represents.

b) Its certainty that the political, economic, fiscal, social, and moral drama the country is enduring demands the peremptory, active, and unselfish participation of all Panamanian sectors to secure a patriotic solution that will prevent the chaos toward which the continuation of the regime is pushing the country.

Panama, 20 January 1986

Political Commission:

Board of Directors: Alfredo Ramirez, president; Jorge Ruben Rosas, vice president; Abraham Pretto, vice president; Guillermo E. Quijano, vice president; Luis Guillermo Casco Arias, secretary general; Plutarco Arrocha, deputy secretary general; Sara de Paredes, secretary of records and correspondence; Alfredo Ramirez Jr., secretary of organization, Carlos Chambonnett, press and propaganda secretary; Otilia A. de Tejeira, secretary of culture and education; Temistocles Diaz Hijo, secretary of youth; Olmenares Quijano, secretary of Indian affairs; Guillermo Ford, member; Ricardo Aleman, member; Eduardo A. Valdes, member; Carlos Lucas Lopez, member.

Political Junta: Bernardino Gonzalez Ruiz, Gilberto Arias G., Mario Galindo H., Julio Linares, Ruben Dario Carles, Guillermo Ford, Olmedo Rosas, David Anguizola, Rene Crespo, Generoso Carles, Elio Arrocha A., Sergio Anguizola S., Tomas Jacome, Ruben Merel, Ramon Morales Quijano, Temistocles Patino, Jose Oller, Jesus Sierra Victoria, Jorge Velarde, Jaime Correa, Enrique Diez, and Belisario Adames.

NEW AMBASSADOR TO U.S. -- Deputy Foreign Minister Jose Maria Cabrera has announced the appointment of Kaiser Bazan as the new ambassador in Washington. [Summary] [Panama City EXTRA in Spanish 25 Jan 86 p 5 PA]

NEW UK AMBASSADOR -- London, 24 Jan (EFE) -- The Foreign Secretariat has reported the appointment of Margaret Bryan as the new British ambassador to Panama. [Summary] [Panama City LA REPUBLICA in Spanish 24 Jan 86 p 9 PA]

NEW ENVOY FROM PERU -- Lima, 24 Jan (AFP) -- Peru and Panama will sign a double nationality treaty, thus beginning "a true process of Latin America integration," Javier Ortiz de Zevallos, the new Peruvian ambassador to Panama, has announced. [Summary] [Panama City LA REPUBLICA in Spanish 24 Jan 86 p 9 PA]

COSTA RICA

FOREIGN MINISTER DENOUNCES NICARAGUAN ATTACKS

PA230436 San Jose Radio Impacto in Spanish 1830 GMT 22 Jan 86

[Text] Just as reported exclusively by the Impacto newscast, Foreign Minister Carlos Jose Gutierrez will send two protest notes to the Nicaraguan Government. The first will deny the accusations made by Sandinist authorities that Nicaraguan troops have been attacked from Costa Rican territory. The second note, also the second of 1986, will demand an explanation regarding attacks on our national territory and against residents of the northern zones, specifically in the area known as Montes de Oro in La Cruz Canton. In reference to this, Gutierrez said the following:

[Begin recording] We must say that the Nicaraguan Government seems once again to be making an effort to argue over incidents with Costa Rica. This coincides with certain circumstances such as the reappearance in BARRICADA during the past few days of a cartoon which is insulting to Costa Rica. It could be that this circumstance has emerged because the Nicaraguan Government is paying attention to elements unhappy over the lack of incidents with Costa Rica, but it is also possible that they are angered by the fact that the Costa Ricans are experiencing the conclusion of a free electoral campaign, and want to create incidents because of it.

However, there is no doubt that within the past 2 weeks we have again entered a phase in which the Nicaraguan Government is trying to establish incidents against us. [end recording]

The foreign minister also announced that he will head the Costa Rican delegation to the inauguration of Honduran President Elect Jose Azcona del Hoyo. Azcona's inauguration will take place next Monday. Dr Gutierrez will be accompanied by Public Security Minister Benjamin Piza Carranza, Liberation Deputy Bernal Jimenez, and [name indistinct] chief of protocol at the presidential palace.

Says Protests 'Lack Veracity.'

PA271446 San Jose Radio Impacto in Spanish 1830 GMT 25 Jan 86

[Text] Included with two protest notes sent to the Sandinist regime by the Costa Rican Foreign Ministry is a reply to two notes sent by the Sandinist regime; the reply states that the charges lack veracity and seriousness.

The Sandinists protested attacks supposedly carried out from Costa Rican territory, including an attack on two Nicaraguan Air Force helicopters, and accused Costa Rica of violating the Guatemala agreement and permitting these incidents.

In this respect, Foreign Minister Gutierrez said the contrary has been proven, adding that there is a lack of vigilance on the Nicaraguan side, and not in Costa Rica.

Regarding the alleged violation of the Guatemala Agreement, in his reply to Nicaragua, Foreign Minister Gutierrez said that the charges filed at the OAS are based on assumptions lacking veracity and seriousness.

MORE ACTION AGAINST DRUG TRAFFICKING NECESSARY

PA260038 San Jose LA PRENSA LIBRE in Spanish 16 Jan 86 p 10

[Editorial: "The Drug Traffic"]

[Text] If Bolivia is the main raw material producer and the United States is the best final consumer, the truth is that cocaine -- the cornerstone of drug traffic -- was based in Colombia. A couple of years were enough, however, for Colombian authorities to destabilize the illegal trade and even force the drug traffickers to leave the country. Unfortunately for us, those traffickers had to find new bridges for their activities, and Guatemala and Costa Rica were favored with this dubious benefit.

If at the beginning we had doubts that the sophisticated drug traffickers would try to establish a base in our country, and if we even listened with some skepticism to reports of important drug traffickers already settled in our country, today the truth is that no one seems to have any doubt about this sad reality.

We have experienced isolated incidents that seem unimportant when they are examined individually, but that acquire importance once they are analyzed as a whole. Let us take, for example, the matter of massive imports of raw materials that are essential for drug production, or the mysterious small planes that appeared unexpectedly at airports in the country.

We do not know why the drug traffickers chose these two countries -- Guatemala and Costa Rica -- which are now serving as the new drug traffic bridges. However, Guatemala, which has no communist neighbors and does have a powerful Army, is a more problematical victim of the drug traffickers than our country is.

Therefore, the situation is even more difficult for us. Together with the drug traffic, we are also risking our political stability as a nation which, in addition to its disadvantageous position in comparison to Guatemala, is far too small to prevent the grand drug traffickers' great financial power from becoming an extremely manipulative force in our country.

On this subject, yesterday's editorial in our sister paper LA NACION noted the possibility of drug trafficking becoming "the most pressing problem of the coming years." We believe that is a valid possibility.

Inefficiency and corruption are serious national problems that impose a grave economic cost on the state. However, the drug traffic goes beyond this. It also threatens the health of our fellow citizens, mainly the youth, whose future is our country's future.

Unfortunately -- as was the case with terrorism -- the country's majority remains defenseless, if not to say actually careless. The country's majority seems to be unaware of this reality, the results of which could be more harmful than those of any of the other problems we are now facing.

We have several police units that have a certain expertise in this area but they act without any sort of coordination among themselves, and sometimes even with intense internal jealousy, in addition to their inability to win the trust of the international organizations, which are the only ones able to cope with an equally international problem.

What will it take to lessen the people's apathy?

What will it take to make the government decide to create a unit that is specifically charged with this matter, a corps that would be hierarchically independent of the action of middle level officials of dubious conduct? We hope to God that it will not require the death of our youths for us to stand up and take notice!

EL SALVADOR

CHURCH CONFIRMS CIVILIANS IN GUAZAPA 'TRAPPED'

PA271843 Paris AFP in Spanish 1706 GMT 26 Jan 86

[Excerpts] San Salvador, 26 Jan (AFP) -- The Salvadoran Catholic Church today reported an alleged military siege that is keeping approximately 1,000 civilians, including several wounded people, children, old persons, and pregnant women, trapped on Guazapa Hill where the Army is conducting a counterinsurgency operation.

Msgr Gregorio Rosas Chavez, the auxiliary bishop of San Salvador, said the Church has unconfirmed reports that approximately 1,000 civilians are surrounded by the Bracamonte and Atlacatl Battalions in Delicias and Platanares. "We fear for the physical integrity and the lives of these Salvadorans, and in addition we ask the authorities to act very carefully to avoid irreparable damage to innocent people " the prelate said during a homily at the Metropolitan cathedral.

Msgr Rosas Chavez also reported that 94 Salvadorans have died in the past 2 weeks, victims of political violence, according to information gathered by the Archbishopric's Legal Assistance Office. The bishop expressed consternation over the death of a 13-year-old boy whose body was destroyed by the accidental detonation of a mine left by the guerrillas on railroad tracks on the outskirts of San Salvador. The Church has criticized the use of mines by the guerrillas, and the bombings by the Armed Forces as well, because they are both claiming the lives of innocent victims among the people, the prelate stressed.

GUATEMALA

CEREZO EXPLAINS OBJECTIVES IN 24 JANUARY ADDRESS

PA270007 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 25 Jan 86

[Text] During his first message to the citizens, among other things President Cerezo said he will review the so-called Rule Three, but he noted that this will benefit the citizens at large because only those importing luxury goods will be affected. He said Rule Three will curb the import of luxury goods, but will not affect the citizens at large.

President Cerezo said Rule Three will be reviewed to eliminate things affecting poor people. He added that it will continue to affect all those articles not consumed by the poor people, such as Mercedes Benz automobiles, Scotch whiskey, and fine liquors.

In his address yesterday, the president recalled that he had promised to solve problems in 126 days, and he asked for patience. He said that in less than 24 hours he already has in hand a problem that could take several years to solve. However, he said: We accept that challenge because we are ready to tackle it. He added that within the 126-day work program, decisions are being made on each main issue such as violence, housing, and the organization of the government.

President Cerezo said he inherited a structure that resulted from a special kind of government; whether it will turn out to be good or bad will depend on the results it can produce. In that government, a hierarchical structure made decisions that had to be implemented. Now, he explained, there is a government that will transform this hierarchical structure structure into a horizontal government in which everyone will have a say in government decisions.

President Cerezo, who likes to be called Companero Cerezo, confirmed that he will not implement agrarian reform in the traditional sense, but he said his administration will extend aid to small and medium-size farmers. In this regard, he referred to Quetzaltenango. He said this is a place with three different conditions, therefore problems will be solved in keeping with each condition and not in a general fashion.

Cerezo also commented on the problem of political exiles, but he linked it to the issue of refugees in Mexico. The president said political exiles will be allowed to return to the country when they wish to; they will enjoy all the security the authorities can offer. As for the refugees in Mexico, Cerezo said he hopes to solve this problem within approximately 6 months. He added that groups outside the control of international commissions tasked with supervising them can also return. In this case, they will also enjoy the corresponding securities.

A foreign newswoman asked the president whether the repeal of the amnesty decreed by the past government during his administration could bring about problems for him with the Army. Cerezo replied that the Congress would have to repeal the amnesty and thus it would be the Congress that would have problems with the Armed Forces. However, he emphatically said that what is being sought is the country's unity, not a confrontation.

Besides the statements revealed by the "Guatemala Flash" newscast at noon yesterday, President Cerezo made additional statements in his first press conference. For example, he explained his ideas of scheduling the issuance of official information and of organizing ministerial conferences once a week. President Cerezo said he will hold a news conference every 15 days and that ministers will take turns doing the same once a week, according to a schedule. According to the president, the objective is to provide information when the need arises, to prevent newsmen from chasing officials and to prevent officials in turn from hiding from the newsmen.

BRIEFS

NEW DEPUTY ECONOMY MINISTER -- Jose Antonio Blanco Gomez took over yesterday as deputy economy minister. He replaces Jose Alberto Herrera Ovalle. [Summary] [Guatemala City EL GRAFICO in Spanish 23 Jan 86 p 4 PA]

HONDURAS

AZCONA 27 JAN PRESIDENTIAL INAUGURATION SPEECH

PA271947 Tegucigalpa Voz de Honduras Network in Spanish 1620 GMT 27 Jan 86

[Presidential inauguration speech given by President Jose Simon Azcona del Hoyo at Tiburcio Carias Andino National Stadium in Tegucigalpa -- live]

[Text] Mr Former President Dr Roberto Suazo Cordova, your excellencies chiefs of state and government, your excellencies heads of special missions, Mr President of the National Congress, Mr President of the Supreme Court of Justice, Mr Commander in Chief of the Armed Forces, Mr President of the National Elections Tribunal, eccl essiastic, civilian, and military authorities, distinguished special guests, ladies and gentlemen:

At the supreme moment when I assume the presidency of the Republic, I want my first statement to be a sincere expression of acknowledgement for the noble and generous people of my fatherland. [applause] Through the elections process, until it ended on 24 November 1985, this people demonstrated that they are the builders of their own future. They became the expert teachers whose lesson of good citizenship and love for Honduras must always be in the minds -- as a guideline -- of the men and women of of this country who may have political responsibilities in guiding the nation's affairs.

Honduran people, today we are initiating a long and difficult road. We have many problems that will be difficult to resolve. Some of those problems perhaps have no possible solution. We are assuming this responsibility with which you have entrusted us with determination and firmness, with a creative will, and, especially, with the decision to succeed even if the challenge is a formidable one.

We will undoubtedly succeed if we all fulfill our obligation to be united, without reservations or egoism, in the struggle for the common good.

The national economy -- the basis for our entire social structure -- has suffered in past decades a growing onslaught from adverse factors that have not yet been brought under control.

Our economy is still pre-industrial. We export, basically, food and raw materials, and import manufactured goods that satisfy the needs of a rapidly growing population.

Our economy is totally open to the international market and therefore very vulnerable to the economic cycles of the industrialized countries, to the extent that if we do not export, we are unable to buy the goods we do not produce.

Having only a few products going to the foreign market, products that have little added value and that are subjected to arbitrary quotas, our trade terms continue to deteriorate rapidly. As a result of this our purchasing power has been reduced. Both the public and private sectors have become buyers of strong foreign exchange, especially of U.S. dollars. This is the only way they have found to finance the construction of roads, to build schools, to install factories, and to equip public and private buildings.

This has resulted in weak economic and industrial development because our economy is not self-sufficient.

This is what has led to the heavy debt with the foreign banks, something that has not strengthened our production; nor was the fact that loans must be paid back, and with interest, taken into consideration.

Our lack of vision ran parallel to the foreign banks' eagerness to gain profits. Now, the banks are urgently trying to collect capital plus interest. That is why it is necessary to point out the joint responsibility of debtors and creditors, because although we are not disregarding the acquired commitments, it would be unjust that payment of the foreign debt worsen the situation of hunger and poverty already burdening our people. [applause]

Therefore, we will seek through all available means to renegotiate our foreign debt, seeking -- if necessary -- solidarity with other Latin American countries who have the same problems due to the same causes. [applause] We must reorganize our finances and simultaneously try to improve the standard of living of the vast majority of the people. Food, clothing, housing, medicines, books, and recreation must be made available to the Honduran people. [applause] We will struggle so that the future will no longer be uncertain for the people, but rather so that it will be a horizon free from the threats of unemployment, hunger, and disease. In summary, we must struggle so that all Hondurans will feel that all of their rights are guaranteed, so they will fully enjoy their rights as provided for by the Constitution of the Republic.

Fellow citizens, in view of the need to solve such urgent problems, one must wonder: Will be able to do it? I state here today before the sacred symbols of the fatherland that we can do it, [applause] and I swear on our national flag that I will not rest nor will I give respite in the battle we now begin against poverty and backwardness. However, I must admit there are no magic formulas for promoting development and eliminating poverty. Since the beginning of mankind, now lost in the darkness of many years, work has been the source of well-being and wealth. Work is only possible with hard-working men who make good use of their intelligence in order to take advantage of nature's resources.

Although we must admit that our territory was not blessed with abundant fertile soils and mineral resources, we have the most available resource: we ourselves, the honest and hard-working people [applause], the Honduran people who here today renew their determination to struggle for a better future.

If it is a great challenge, then our determination must be greater.

The greater the problem, the greater our optimism must be. We must have faith in ourselves and believe in Honduras. We will not be free or independent so long as we lack faith in our capabilities and do not hold the country as our fundamental value. On the contrary, that will only make us less Honduran and make our country less ours. That is why today I ask the people to support me actively as a duty emanating from the vote that placed me in this position of leadership. That is why I ask the people who elected me to be responsible, as I pledge to look after the welfare of all and abide by the laws of the Republic strictly and honestly. [applause]

I announce here, before the entire nation, that I will not tolerate immorality in my government, [applause] nor will I tolerate laziness or neglectfulness. I will be inflexible in ensuring compliance with the law, and this includes Hondurans and foreigners. [applause]

Compatriots, during these, my first minutes as president of the Republic, I propose to the Honduran nation the establishment of a social pact consolidating the efforts of all the sectors representing our nationality in order to truly, and once and for all, promote economic and social development in seeking the common well-being. For my part, I solemnly promise that never, not even under the most adverse circumstances, will I subordinate the common well-being to personal interests or to any influential group. [applause] We maintain that new doctrines or ideologies are not necessary in order to achieve this patriotic and noble goal. What we need is steadfast determination, immutable honesty, and sincere love for our homeland and our people. Amid its shortages and limitations, Honduras has within its human capital a group of social organizations that are difficult to find in other latitudes. This, in addition to giving us pride, heightens in us faith and confidence in a better future.

In fact, the coordinated actions of these forces made it possible to overcome the 1985 political and institutional crisis and to have the most just and democratic process in our republican history. Although special provisions had to be adopted, it showed that the Honduran nation has the necessary resources to face any situation, regardless of how difficult it may be, as long as these resources are used according to their homeland's highest and most sacred interests. [applause] Those same forces, and others that may join them, must not take a rest now because following the solution of the institutional crisis it is necessary to accomplish the objectives that go beyond all this: the sustained and harmonious growth of our economy; the creation of wealth that must be enjoyed through its just distribution by all the Hondurans who contributed to building it with their efforts; and in sum, the general development of the Honduran population.

However, the social pact we are proposing does not mean that we are asking the various sectors to give up their struggles in defense of their legitimate interests. On the contrary, democracy means opposition and discussion; it is a struggle between conflicting interests. However, it is also negotiation, compromise, and agreement. This is the agreement, the national agreement I am proposing today. The organized workers in the rural areas and in the cities, business organizations, professional associations, political parties, the Armed Forces, and the church have a prominent role to play in outlining and administering the state because the state is just that, society in action.

This is my interpretation of the mandate I have received from the Honduran people. I have been elected to unite the Honduran family, conciliate interests, join efforts, coordinate the development process, correctly manage our national patrimony, and lead the great march forward, up to where we can reach. This is what I am talking about -- about the great national project, about conquering our productive borders, about making optimum use of our resources -- because our underdevelopment is due precisely to the fact that we are not using all our productive potential because we are working and producing far below our real capacity. [applause]

We must return to ourselves. We must find ourselves. We must trust our own strengths. We must overcome all difficulties. The truth of the matter is that foreign aid is not enough. No other nation will help us reach the goals we set for ourselves, regardless of what they are. We have unreasonably relied too much on foreign aid as the main thrust in our development instead of viewing it, as we should always view it, as a complement to our own effort, something we can eventually leave behind without it stopping our takeoff. What will we do then?

I have previously stated that human resources are our main source of energy to produce wealth. Therefore, we plan to mobilize the population that is able to work, taking into consideration the various degrees of training, natural ability, and skill available.

Since agricultural activity is the source of most goods used for local consumption as well as for exportation, it is in this area of the economy that we must place the greatest emphasis because it is there that we can employ, with a minimum of training, the largest number of people. To do this, we must speed up and expand agrarian reform. The land must be used for production. This is something that must be understood and accepted by all. Agriculture must help us solve the problem of unemployment in the rural sector by alleviating the demographic pressure in the urban regions. In addition, agriculture must become a reliable source of raw materials needed by the country's industrialization process. We have no doubt about this matter.

Similarly, the modern agricultural entrepeneur must receive greater incentive and protection because he will continue to be, for a long time, the pillar of our export economy and thus the key to obtaining the foreign exchange we need so much to purchase capital goods and to prop up our troubled balance of payments.

The development of agro-industries is closely related to our agricultural development. We need a greater aggregate value for our exports if we want to improve the terms of our trade with the rest of the world. In this regard, we are going to create the conditions that encourage local capitalists to invest in activities to process our primary products. Since the medium and small industries absorb the largest number of workers, it is in these levels that my government will place a priority interest. Of course, in our free enterprise system, it is the managerial sector that must become responsible for this sphere of production using all its creativeness, a firm will to invest in untapped areas of the economy, a strong will to work, and perseverance.

As far as we are concerned, we promise to give the necessary support and facilities. From the beginning, we will establish the mechanisms for permanent communication and consultation so that very soon everything we are announcing can become a tangible reality.

Since we urgently need to increase our exports to the utmost, and in view of the quotas imposed by our traditional buyers and other barriers that prohibit access to their markets, we must prepare to trade with all countries of the world. In line with this, we invite foreign investors, within a philosophy of mutual benfit, to invest in our country. For this reason, we are already offering them the necessary guarantee. [applause]

Unemployment has become the worst scourge of Honduran society. It is so insidious and harmful that, surreptitiously, it serves as fertile ground for an increasing social discomfort which, through the principle of quantitative accumulation, could become a rebellion against the institutions and sectors that make up the nation's economic, legal, and political structure. Thus, the implementation of regional and municipal programs and projects that imply the use of a large number of workers cannot be postponed. Therefore, the legion of unemployed individuals can obtain an income to meet their needs and those of their families. This is an action that also gives greater vitality to the local market and determines an increase in productive investments guaranteeing better levels of consumption and general welfare.

Regarding social assistance, we want to expand and improve it at the national level through the mobilization of two reserve forces that society has. I am talking about the young people and the women of Honduras.

Our young people are idealistic and willing to identify themselves with noble causes. They can and must be used to engage in a historic mission that they have never been assigned: to go to the four corners of this country, taking their knowledge and their solidarity to the communities that need it most. In this they will be performing various type of work of much social importance.

With the same trend of thought, women are both mothers and wives and because of this they represent the greatest moral force our society has.[applause]

Women have been, throughout our history, the main character in the human drama. They are the bulwark of the family. They represent the most noble values. Because of this we must incorporate them into the social-work world without negatively affecting the primary functions that only they can accomplish. First we must exalt them, giving them more culture and training, and then we will assign them important productive functions that will give them more dignity.

With the cooperation of women's organizations and with the assistance of already-existing international organization programs, we are imposing on ourselves the responsibility of supporting Honduran women as an indispensible factor for resolving social problems by increasing national production.

Concerning education, we are obligated to the Honduran people. There are many children who have not received a pre-primary and primary school education. There is a shortage of primary and secondary schools. We still have many illiterate people.

No country can readily achieve progress as long as a large percentage of the population remains in the limbo of ignorance. My government will take care of these problems as our resources allow us to face them. We hope we will meet with the goodwill of all Hondurans in facing this challenge with determination.

We must restructure our educational system at all levels so that it is based on the urgent tasks the nation's economic and social development will impose.

We must have a coherent and functional educational policy. We are sure that we have, as of right now, the support of the teachers' associations because teachers are the most important factor for securing this national aspiration. We are also sure that we have the support of the other sectors involved in the educational process, including, especially, our university.

Hondurans' health will be one of our fundamental concerns. For a human being to be productive, both materially and intellectually, he must be healthy. For this reason we will strongly fight the scourge that still negatively affects our people, especially malnutrition and endemic diseases that so cruelly punish our children and our adult population.

The rational exploitation of our natural resources represents the keystone of independent and continued development. The protection of our sea and forest wealth and of the nonrenewable resources of the subsoil must be secured by improving existing legislation in order to guarantee to today's Hondurans and those of future generations that they will be able to enjoy that wealth.

Citizens, our country's credit directly depends on how honestly we manage our resources. For this reason, honesty is an investment and a guarantee, as well as our best credential with friendly nations. While honesty is indispensible for our development, organization is a necessary complement.

In many and very important aspects, the Honduran states's administrative organization is anachronistic and contradictory. The repercussions of this situation on the government's executive functions is negative and counterproductive. We must modernize the state's decisionmaking process, not only by including modern techniques and technology, but by simplifying procedures and reorienting the state's administrative program.

Your Excellencies, heads of state, and honorable diplomatic missions, I want to express to you on behalf of the Honduran people and in my own name, our gratitude for your presence at the Honduran presidential inauguration ceremonies, to which you have imparted brotherly warmth and international importance. Feel welcomed to this solemn ceremony, which marks an important milestone in the firm process of democratic evolution and an affirmation of the Honduran nationality. You will take to your people the testimony of what has passed today in Honduras, which is a contribution to the cause of peace and harmony among the nations.

My government, which is beginning now, is completely aware of the grave problems that prevail in Central America and of the danger looming over us as Central Americans. This situation affects our country in particular because of our special geographic position.

Honduras has escaped the insurrectional whirlpool and the apocalypse of civil war.

We enjoy a peace that is the fruit of the efforts made by the Liberals during the progressive and democratic government headed by Ramon Villeda Morales and Modesto Rodas Alvarado. [applause]

Thanks to this, social pressures were channeled through great popular achievements such as the labor code, the agrarian reform law, the social security law, and the reinforcement of autonomy in education at the university level. From this starting point Honduras outlined its democratic path, despite later vicissitudes and retrogressions in constitutional stability. It is only fair to recognize the efforts to achieve national stability made by successive regimes that approved laws and created institutions for social benefit and development. This is why our country has successfully faced the challenges that historic events have posed. This is proven at this moment when a constitutional government is making way for the government I will head within the same legal framework.

We the Hondurans have learned to live by the law; peaceful coexistence is our main wealth. All of this reaffirms our conviction that to the extent that we are respectful of the rights we all have as sons of the same fatherland, disorder and violence will not find fertile ground in our soil. Therefore, I will not rest one moment in my determination to make sure that not even one Honduran lives thirsty for justice. I will be accompanied in this mission -- I am certain -- by the most illustrious minds and the highest spirits. We will all work to firmly establish a regime of equality and opportunities as the best antidote against the penetration of dissociating schemes of any sign whatsoever.

Our foreign policy for the Central American region will clearly be in the framework of respect for the sacred principles of nonintervention of one state in the affairs of another state and for the free self-determination of the people. Therefore, we demand that sister nations equally respect our right to act according to our own principles.

Regarding the manner in which the serious problems the Central Americans are facing should be solved, we here state our decisive support for the brave and generous efforts still being carried out by the neighboring governments of Colombia, Mexico, Panama, and Venezuela within the framework of the Contadora Group [applause] and the Support Group formed by Argentina, Brazil, Peru, and Uruguay as the most accessible means we have at this time to guarantee peace and harmonious coexistence among the countries of the region.

In this regard, we promise to intensify our efforts so the spirit of Contadora will be maintained until its ideals and objectives are fulfilled in a trustworthy and total agreement that can be adequately verified. [applause]

From this platform we offer our Central American brothers our clean and sincere friendship, inviting them to unite with us so that, free of discrimination, we can again start working on social and economic integration, as well as on broader cooperation in the cultural and technological fields. [applause]

To our Latin American brothers we say that although it is no longer possible to make the dream of Jose Cecilio del Valle and Simon Bolivar come true and to make our territories a single great nation, we can still increase our brotherly ties in defense of common interests such as renegotiation of the foreign debt and the struggle for better prices for the products we export. [applause]

We reaffirm to the United States our invariable friendship and intention of maintaining the ideals that unite us in the defense of pluralistic and participatory democracy, based on the intangibility of our sovereignty and mutual respect.

We also recognize the invaluable economic aid that it has constantly provided to our country.

To the member countries of the EEC, to Japan, to Canada and to other countries of the world that have shown their sincere interests in the solution of our problems with facts, we express our cordial greetings and heartfelt gratitude, and also our wish for better relations not just in the economic field, but also in the scientific, technological, and cultural fields.

Liberals, our party assumes the state's leadership for the second consecutive time. Without prejudice and with the natural rejoicing that this victory represents, in this hour let us meditate on the serious responsibility we have to the people. Those who think that the participation of our political adversaries in the state's branches will weaken my administration are forgetting the constitutional precept and republican principle that establishes the duty to seek national unity and strict independence among the state branches. [applause] My government has the firm intention to respect this independence to safeguard democracy and the people's sacred interests.

Fellow citizens, our country is facing serious problems that still have not been solved and that once again demand everyone's effort to move our country ahead. We will see that the effort made by the Hondurans of lower income is less burdensome and we will appeal to the goodwill of those who are able to make the effort to carry out a great collective effort. We are not planning on a government of class but on a government of common interests that deals with conditions according to circumstances, and on behalf of equity and universal justice.

To my fellow citizens and members of the other parties that comprise our pluralistic and participatory democracy, I want to let them know that criticism will not bother us and that we expect and want it because we believe the supreme interests of our country are above our differences. We feel that Honduras needs your patriotic cooperation in the common task to move our country ahead, make the great plan into a reality, and modernize and dignify our country.

To the commander in chief of our Armed Forces and to the other chiefs, officers, noncommissioned officers, and soldiers, I salute you as fellow citizens, friends, and as your general commander, fully trusting that you will continue to safeguard the nation's integrity, the authority of its legally established institutions, and the state's security. My government will support constant improvement in the military institution and its modernization and professionalization, cognizant of the fact that improvement of the soldier is a general education -- not just technical and military in its scope -- in serving the country, not just in times of peace and war, but in all aspects of the nation's life, bearing in mind that in every soldier we must preserve the citizen. [applause]

Hondurans, your decision -- stated during the 24 November elections -- puts me in charge of the nation's destiny. During the next 4 years, each day I shall honor the trust you have bestowed on me with dignity. I will prove that the people and government are as one in their goals and actions. It is evident that these efforts will only prove successful if I have the Honduran people's support, if I have the consensus of the women and men in my beautiful and tormented country. The Honduras that we begin today and the Honduras of tomorrow must be politically free, economically just, and socially open and progressive. Carrying my love for Honduras as a banner, I begin with enthusiasm and patriotism to fulfill my noble mission which, God willing, I will carry out with all the Honduran people's support. [applause]

Fellow citizens, let us pledge not to look toward the past, except to avoid making the same mistakes. Let us look toward the future, ready to wage our battles with chivalry, courage, and all our hearts. [applause]

I assume the presidency with humbleness, with the mere intention of doing good. Hondurans, the future is ours, let us advance with a firm step. Thank you. [applause]

I would like to present my apologies to the outgoing president because we skipped the paragraph dedicated to him. I now want to bid farewell -- with respectful and warm regards -- to the outgoing president, Dr Roberto Suazo Cordova. I ask God that when we conclude the term we now begin, I may be able to transfer the presidency of the Republic to another citizen who has been freely elected by the Honduran people, as President Suazo Cordova did with the nation as his witness. Thank you. [applause]

NICARAGUAN VICE PRESIDENT ON TALKS WITH AZCONA

PA280358 Managua Domestic Service in Spanish 0047 GMT 28 Jan 86

[Interview with Nicaraguan Vice President Sergio Ramirez by an unidentified reporter at the presidential house in Tegucigalpa -- live]

[Text] [Reporter] How was your meeting with President Azcona?

[Ramirez] It was positive. We had a pleasant conversation. President Azcona was frank and uncomplicated. We Nicaraguans like that. We discussed Guatemalan President Vinicio Cerezo's proposal for a meeting of Central American presidents in Esquipula, Guatemala. President Azcona agreed that it should be held as soon as possible. Nicaragua will attend this meeting as soon as a date is decided. President Ortega will attend the meeting.

[Reporter] Did you discuss the presence of counterrevolutionaries in Honduran territory?

[Ramirez] We did not delve into any specific subject. We discussed general issues and decided to hold bilateral meetings not just between our foreign ministers, but also at economic and other levels.

[Reporter] At a military level also?

[Ramirez] Yes. We believe that bilateral meetings between our border military commands are important for pacification of the border zone.

AZCONA SWEARS IN NEW GOVERNMENT 27 JANUARY

PA272323 Panama City ACAN in Spanish 2221 GMT 27 Jan 86

[Excerpts] Tegucigalpa, 27 Jan -- Honduran President Jose Simon Azcona del Hoyo swore in his government this afternoon and immediately held his first work session.

Azcona urged his ministers to "work intensively and without time limitations for the sake of public administration and the Honduran people, without political discrimination and prejudices of any kind."

He added: "I have chosen you according to my criteria and knowledge of your capabilities; however, I expect you to respond to the confidence I have entrusted in you with hard and dignified work within this new government."

HONDURAS

FOREIGN MINISTER HOLDS 24 JAN PRESS CONFERENCE

PA250300 Tegucigalpa Radio America in Spanish 1814 GMT 24 Jan 86

[Press conference by Foreign Secretary Edgardo Paz Barnica on 24 January: place not given -- live or recorded]

[Excerpts] [Paz Barnica] The reason I invited you here is primarily to thank the national media and the foreign correspondents very much for all of the valuable cooperation you provided this Foreign Ministry during my 4-year tenure. Your collaboration has been very valuable when you recognized the Foreign Ministry's efforts as well as when you asked questions or made criticisms that I considered constructive. I believe a country cannot function if the reporters do not make healthy and constructive criticisms, which are necessary for the official's public actions, which are dedicated to national public opinion, and, in the Foreign Ministry's case, also to international public opinion.

Despite our good faith, the Salvadoran Government refused to be flexible during our negotiations. In this regard we are left with the judicial (recourse) to appear before the International Court of Justice, which is the highest court of justice in the world, and which is part of the UN Charter. I believe that the problem with El Salvador is Honduras' basic problem. When I have spoken of the Hondurans' unity, the spirit of tolerance that exists between the Honduran leaders and the masses, it is precisely because we are facing serious problems, very difficult problems, threats to our democratic system. There is the border problem with El Salvador, which requires great unity among all sectors of Honduran society, but with a spirit of tolerance, kindness, [word indistinct], and understanding. I want to render this tribute of sympathy, respect, and admiration to the Honduran Armed Forces as they are structured at the present time and have been since 31 March 1984.

We are handling Central American relations with satisfaction and also with difficulties and vicissitudes because of the complexity of these relations and because of Honduras' geopolitical location. Honduras is surrounded by countries with internal conflicts. We have had very serious difficulties with Nicaragua, which is logical. However, we have overcome them even though our two countries have antagonistic political systems -- totalitarianism and democracy -- which is a very serious issue in Honduras; this is why we hope the Central American conflict will be resolved within a short time through a peaceful solution, not a military solution, which I do not believe any well-intentioned Central American desires. This regional conflict in Central America must be separated from the East-West conflict because the situation is very serious, very delicate. There are foreign interests that clash with ours, even though we maintain that we are allies of the democrats.

We have continued to negotiate with the United States, and we have maintained our traditionally brotherly relations, which we have strengthened and are trying to strengthen even more. We have found understanding, and we have found difficulties at certain times. I believe that Honduras and the United States should continue walking together but with mutual respect, guaranteeing Honduras' dignity, sovereignty, and independence. I have always found the necessary understanding and cooperation in Secretary of State Shultz and in the diplomatic representatives accredited in Honduras.

At times there were difficulties, such as when the Honduran Government sought negotiations when the Armed Forces were internally restructured and when the National Security Council on behalf of President Suazo Cordova made serious efforts to have the military mutual support agreement of 1954 revised and to review all security and economic cooperation agreements. Honduras supported the designation of a high level commission by the U.S. Government, and Honduras named one immediately. Later, subcommissions were designated for each of the two issues, and progress was made. Of course there were a few difficulties in these negotiations. There was not always full receptiveness on the part of McFarlane, the national security adviser at that time, or on the part of Langhorne Motley, under secretary of state for inter-American affairs at that time.

There were difficulties with them: they forgot that we are a small but dignified country, small but sovereign, small but independent. Once these problems were overcome, they even had the Honduran Government -- through me, who now addresses you as the foreign secretary -- present a note of protest to the U.S. Government because of Mr Motley's behavior. Difficulties were overcome, and I believe that everyday relations between Honduras and the United States are further strengthened.

If we are democrats we must side with the democrats. If we advocate independence, we must make our independence respected. If we say that our national sovereignty is guaranteed, we must also make this sovereignty respected. I believe that we must live either in a free world or in an enslaved one. This struggle between democracy and totalitarianism is taking place in a world of dramatic connotations. I, logically, am inclined, or rather am a fervent supporter of democracy.

I believe that the political organizations are the basic pillars of democracy. The political parties are public law organizations. In Honduras we have four political parties. I believe that each party must resolve its own problems based on understanding. I also believe that the elite cliques or the obsolete cliques that exist in the traditional political parties must begin to disappear. This is essential for the activation of democracy and for group interests, rather than personal interests, to prevail.

With this spirit I greet you and inform you that as of tomorrow, we will be at the airport welcoming our foreign guests; chiefs of state; heads of government, vice presidents of friendly countries' foreign ministers' interior minister; as in the case of Spain because its delegation is headed by the Spanish interior minister; ambassadors and special envoys. I also wish to say that we deeply regret that due to last-minute problems, urgent problems of state that must be attended to on Monday, we were officially informed today that his excellency Colombian President Belisario Betancur will not be able to attend the swearing-in ceremony and that the Colombian delegation will be headed by a presidential delegate, who also happens to be the foreign minister, Augusto Ramirez Ocampo. We have also been advised, without explanations, through a diplomatic message that we received today, that the Nicaraguan delegation that will arrive on Monday, and return to Nicaragua on the same day, will be headed by Nicaraguan Vice President Sergio Ramirez Mercado and not by Nicaraguan President Commander Daniel Ortega.

Apart from this, all is going very well, and I reiterate, to all of you, my fraternal appreciation for your cooperation.

[Unidentified reporter] Mr. Secretary, we have heard that Nicaraguan President Commander Daniel Ortega had his reasons for postponing his trip to our country. It is being said that it was because Honduras did not authorize the entry into the country of the security personnel he wanted to bring.

[Paz Barnica] A few days ago an advance delegation came to Honduras to prepare Commander Daniel Ortega's visit to our country. He would have been received as a guest and we would have been the hosts. He would have received all the considerations that our guests deserve, a guest who is the president of a country with which we have relations and with which we also have very serious difficulties. This advance delegation was headed by Nicaraguan Deputy Foreign Minister Jose Leon Talavera. They met with the commission, with the transfer of power commission coordinators, and with members of the Armed Forces. They were offered every cooperation.

As you know, Commander Ortega was invited to the inauguration by President-elect Azcona himself. The Honduran Foreign Secretariat also sent invitations to all the governments with which we have diplomatic and consular relations. Therefore, the postponement of the visit has not been for the reasons you mentioned. I do not know why he is not coming, he may have a problem. Well, Nicaragua has a permanent problem that keeps getting worse. Perhaps this is the reason he has to postpone the trip. Commander Ortega was to arrive on Monday morning and leave on Monday afternoon. I understand that Vice President Sergio Ramirez will arrive on Monday morning and leave on Monday afternoon. My esteemed personal friend, Nicaraguan Foreign Minister Miguel D'Escoto, will also attend the ceremony. Other members will also attend the ceremony.

[Unidentified moderator] The LATIN-REUTER representative will ask a question.

[LATIN-REUTER representative] Why has this government never admitted the presence of the counterrevolution in Honduras? Would you recommend that the next government continue denying their presence?

[Paz Barnica] This is not a country of ghosts. This is a country of national and foreign human beings who legally or illegally live here. What is important is that our laws be respected. Right? God made the world to see it, feel it, and touch it. I wish to tell you that in 1979, and this I have repeated so many times that I get hoarse, there were 52,000 Nicaraguans here in Honduras. They would cross the border to make the revolution. I was very much in favor of that revolution, the Nicaraguan revolution. Unfortunately, it became radical and turned into a betrayed revolution.

The Nicaraguan insurgency, just like the Salvadoran insurgency -- but we are specifically talking about the Nicaraguan insurgency -- cannot be viewed in an isolated manner. It must be seen from the regional, overall, viewpoint. It is one of the signs of the Central American crisis, just as the illegal traffic of weapons, the refugees, the acts of destabilization, and the arms race, etc., etc., are also signs of this crisis. The Nicaraguan insurgency is against the kind of government existing in Nicaragua, a government that denies freedom violates human rights, and is more and more moving toward totalitarianism of the extreme left. As far as I am concerned, the extreme right and the extreme left are Siamese twins. Therefore, we see that there is an insurgency, and this affects us. They come here. I once said, and someone told me that it was not a very diplomatic thing to say, that an abusive man called Steadman Fagoth should be kicked out because he made statements against the Nicaraguan Government here in the country.

But this is not the issue. The important thing is to resolve all these problems, problems that affect us. We just can't build a Berlin Wall at the border between Honduras and Nicaragua, nor can we put our Armed Forces with its 18,000 soldiers to set up a cordon at the border to protect and guarantee Nicaragua so that it can continue to trample on the rights and aspirations of the Nicaraguan people. We can't do this. We have three borders and all sorts of problems that must be resolved, that must be taken care of.

Nicaragua has an internal problem that affects Honduras, Costa Rica, El Salvador, and Guatemala. If this is the case, then let us resolve the problem within the framework of the Contadora Group. The new government, President-elect Azcona, has already expressed its support for the Contadora Group. Carlos Lopez Contreras has actively participated in the Contadora negotiations and other negotiations involving our foreign policy. I am sure that the Honduran constitutional government will continue to give its full support to the Contadora Group and that this is the basic and best legal and political framework to resolve these problems, which are the dramatic signs of the Central American crisis.

[Moderator] Journalist Noel Leiva from TIEMPO.

[Leiva] Charges have been made regarding this region. The U.S. press has stressed and even presented evidence of the Honduran Army's collaboration with the anti-Sandinist groups. You have continued to deny this. The government has clearly said: We cannot acknowledge the presence of the counterrevolutionaries. Apparently, the government is in effect saying: We cannot acknowledge their presence here officially, yet we know they are in our territory. We would like you to explain this to us and, in addition, whether President Suazo Cordova has authorized -- before he leaves -- the passage of nonlethal aid for the Nicaraguan rebels.

[Paz Barnica] [Words indistinct] has been repeated. The first one has already been asked and I told you that this is not a country of ghosts. We know, see, touch, and feel each other, both nationals and foreigners. Right? I have already told you the nature and the repercussion of Nicaragua's domestic crisis. This rebellion indicates a crisis and a domestic political armed conflict that urgently demands a national reconciliation process with the Nicaraguan political and armed opposition forces, as Contadora has demanded. Nicaragua no longer has the credibility that it enjoyed in the world at large until some time ago. It does have credibility in the Eastern world with its political and ideological systems. Yet Nicaragua has lost credibility with those constant outrages. This problem has repercussions on us. This is part of an overall crisis that demands an overall and regional solution.

Regarding the other question, you know that an unauthorized aircraft unexpectedly arrived here from Florida [as heard] some weeks ago carrying a load of the so-called nonlethal aid. You also know that the aircraft was surrounded by the Armed Forces. I think even U.S. journalists were there. This load was seized and later returned to its place or origin. The Honduran Government has not authorized this aid, I mean, this procedure that you mention.

[Moderator] Patricia Murillo, correspondent of Spain's ABC.

[Murillo] Mr Foreign Secretary, in the past few weeks, the Contadora and the support groups, as well as representatives of the other Latin American countries, held an important meeting. As far as I understand, the spokesman for the group -- which in the end drafted a document called the Caraballeda message for peace, security, and democracy in Central America -- said that, in order to find a Spanish-American solution for this problem in Central America, the elimination of the Central American countries' armed structures is fundamental. He also questioned the military exercises in these countries. I think this document will be presented to the EEC and at the Nonaligned Movement's next meeting in New Delhi. Knowing well that you boast of advocating the best diplomacy by telling the truth, I would like to ask you what probabilities do you truly assign to the Contadora Group for it really resolving the Central American problems on a short-term basis.

[Paz Barnica] First of all, let me tell you I firmly believe that Contadora is an adequate channel to resolve the Central American crisis.

Contadora must rely on the cooperation of the Central American countries and the political willingness and the good faith of the Central American governments and those from outside the region that are directly interested in the Central American problem. Now, Caraballeda. The Contadora foreign ministers and the four foreign ministers of the Lima Support Group met in Caraballeda on 11 and 12 January. The latter group is formed by Brazil, Argentina, Uruguay, and Peru, and the Contadora Group is formed by Venezuela, Colombia, Panama, and Mexico. In Caraballeda, they issued an important statement that they called the Caraballeda message for peace and cooperation in Central America. I traveled to Guatemala on the afternoon of Sunday, 12 January, to attend the inauguration of President Vinicio Cerezo. In this country, I received the Caraballeda statement and described it as excellent. Meanwhile, a team of advisers analyzed the statement at the foreign secretariat.

What is the declaration of Caraballeda? The declaration of Caraballeda is a group of norms aimed at establishing a consensus of wills in Central America, supported by Latin America, to create a climate of trust that allows the necessary mechanisms for achieving a solid and durable peace in the region. When I talk about adequate measures for creating a climate of trust, these range from political and security matters -- which are the most sensitive or critical and irritating -- to economic cooperation for social development. In other words, these measures include the basic topics which have been negotiated within the Contadora Group's framework for the last 36 months, since January 1983.

On 13 January, the Contadora Group foreign ministers -- illustrious people to whom I express the Honduran Government's gratitude for their extraordinary efforts to achieve peace in Central America -- called a meeting at the Venezuelan Embassy in Guatemala City between the four Contadora Group foreign ministers, the four Support Group foreign ministers, and the five Central American foreign ministers, or their representatives. The meeting began at 2300 and concluded at 0300. I attended the meeting as foreign secretary of Honduras, and I came alone. We had an extremely constructive meeting. We analyzed the Caraballeda declaration and agreed to prepare the Declaration of Guatemala, in which the five Central American governments agree to support what is stated in the declaration of Caraballeda. Very well, I told them there that we must urgently draft the Declaration of Guatemala and sign it the next day. I also told them that, in addition to the Declaration of Guatemala, we must necessarily sign the Contadora Group's document for peace and cooperation in Central America -- right there in Guatemala -- to hail the return of democracy in the country of eternal spring, where eternal tyranny has prevailed. Am I not right?

What happened then? Nicaragua opposed this. Nicaragua did not even want to continue with the Declaration of Guatemala. My dear friend Foreign Minister Miguel D'Escoto grabbed the declaration of Caraballeda and said: What is all this? If I sign this I will commit myself, and so forth. Mexican Foreign Secretary Bernardo Sepulveda had to tell him: We must sign this because it is convenient for the country and it is not a legal obligation.

Well, I believe that the solution lies in the Contadora Group's document for peace and cooperation in Central America, in which we have advanced 80 to 90 percent. We have not advanced more because Nicaragua has vetoed the negotiations at the plenipotentiary level since the meeting in Luxembourg. At approximately 0100, Foreign Minister Carlos Jose Gutierrez -- who is coming tomorrow -- asked this question in Guatemala City: First of all, and before we discuss the Caraballeda and Contadora documents, I want to know if the Nicaraguan Government has lifted its veto and boycott against the Contadora negotiations. Foreign Minister D'Escoto did not answer. I noticed an uneasiness among all the Contadora Group foreign ministers. I also noticed a certain annoyance among the Lima Support Group foreign ministers at the Nicaraguan attitude.

We then asked the illustrious Venezuelan foreign minister, Dr Simon Alberto Consalvi -- who is coming tomorrow or on Sunday -- to prepare a draft Declaration of Guatemala, which would be signed by the five Central Americans in support of Caraballeda. I describe the declaration of Caraballeda as the prelude to the signature of the Contadora Group's document. Foreign Minister Consalvi prepared a draft document -- approximately two to three pages long -- which was extremely instructive and encouraging. The next day I was called and asked to go to President Belisario Betancur's suite at the Camino Real Hotel -- where all the delegations were staying -- in order to sign the Declaration of Guatemala.

I noticed that this was not a group meeting; we were called in one by one. I noticed that Foreign Minister Carlos Jose Gutierrez was leaving when I was about to go in. When I left, Foreign Minister Miguel D'Escoto went in.

When I saw the Declaration of Guatemala -- the Contadora Group and Support Group foreign ministers were in President Betancur's room. I read it and told them: It is good, but something is missing. They asked me: What? I said. The Declaration of Guatemala makes absolutely no mention of the Contadora Group's document for peace and cooperation in Central America, which is a legal document and an international treaty. Why is it not mentioned? I added: Let us include it in the document, at least in the first page. It was a two-page long document and the second page had been signed by Foreign Minister Carlos Jose Gutierrez, who had already left because they had called him first.

The distinguished foreign minister of Peru, Dr Allan Wagner, said: If we put it in, if we mention the Contadora Group's document, Nicaragua will not sign this. President Betancur then said: Edgardo is right, we must mention the Contadora document. How could it not be mentioned if the Declaration of Guatemala is just another theoretical declaration, but the Contadora Group's document is a legal instrument to achieve specific solutions? Therefore, the foreign minister of Peru and I conceived the idea of how we could mention the document... [changes thought] -- the document reads: Create a climate of trust through the Contadora Group's document for peace and cooperation in Central America. I had suggested that it should read: Create a climate of trust by signing the Contadora Group's document for peace... [station breaks off broadcast of Paz Barnica press conference to return to the studio, where a news cast is in progress]

NICARAGUA

AIR FORCE HELICOPTERS DAMAGED BY REBELS IN SOUTH

Defense Ministry Communique

PA271715 Managua Radio Noticias in Spanish 1200 GMT 27 Jan 86

[Defense Ministry communique, dated 26 January -- read by announcer]

[Text] At 1000 on 25 January of this year a Nicaraguan Air Force [FAS] Mi-8 helicopter, engaged in supply activities at the La Penca border post, was attacked by mercenary forces from Costa Rican territory in the El Venado sector, between Sarapiqui and La Penca. One of the shots fired damaged the windshield, but there were no injuries.

The aircraft was manned by Captain Javier Moreno and his copilot, Juan Tinoco.

[Signed] Managua, 26 January 1986; Public and Foreign Relations Directorate, Ministry of Defense.

ARDE Claims 4 Helicopters Hit

PA281237 Panama City ACAN in Spanish 1212 GMT 28 Jan 86

[Text] San Jose, 27 Jan (ACAN-EFE) -- Eden Pastora's forces fighting in southern Nicaragua near the Costa Rican border have damaged four Sandinist Air Force helicopters over the past several days, it was reported today in this capital. A spokesman for the Democratic Revolutionary Alliance (ARDE) said the latest such incident took place 25 January when a Sandinist helicopter was attacked by rebel rifle fire while it supplied troops stationed in Sarapiqui.

On 16 January ARDE rebels wounded the pilot of one helicopter and the copilot of another -- both Soviet-made "Mi-8's" -- that were flying over that southern Nicaraguan area.

The source did not indicate the exact day when the third [as received] Sandinist craft was damaged.

The rebel spokesman told ACAN-EFE that ARDE's forces are operating near the Sandinist People's Army bases at Sarapiqui and La Penca, adding that "the pressure on them grows greater every day." Meanwhile, he denied that these attacks are being staged from Costa Rican territory, as the Nicaraguan Government has claimed. The attacks, he said, are part of a rebel offensive in Chontales Department, in northern Nicaragua, and Rio San Juan Department, in the south.

CHURCH, STATE EXCHANGE MORE ACCUSATIONS, CRITICISM

Ortega Calls Cardinal Somozist

PA271440 Managua Radio Sandino in Spanish 1231 GMT 27 Jan 86

[Text] President Daniel Ortega urged Cardinal Miguel Obando y Bravo to end his pro-Yankee and defamatory criticism of Nicaragua during a "Face the People" meeting held in Pueblo Nuevo, Madriz Department, yesterday. The president, accompanied by members of his Cabinet, met with more than 400 peasants of Region 1 and stressed that Cardinal Obando y Bravo should change his ways by denouncing the counterrevolution's crimes and asking the U.S. Congress to stop supporting the mercenary forces.

[Begin Ortega recording] Cardinal Obando y Bravo is acting covertly -- like the Somozist bishops used to -- because he is championing Somozism, which is what Reagan wants. Reagan wants to reinstate Somozism in Nicaragua. Obando y Bravo is not behaving like a pastor, a bishop. A bishop should not take sides but should be on everyone's side. Cardinal Obando y Bravo has taken Reagan's side; he is supporting the aggression. We have never heard Cardinal Obando y Bravo condemn the counterrevolution's crimes. I have told him this. We have discussed it. I asked him: Why don't you say anything about the counterrevolution's crimes? Government officials have admittedly made mistakes and committed abuses. However, why don't you criticize Reagan's crimes against Nicaragua like you criticize [words indistinct]? Why don't you denounce the crimes committed against Nicaraguan children, peasants, and workers? Why don't you say anything? Not a word. See how you are behaving.

No one is persecuting him, no one at all. No one has put him into prison. Why? Because that's not how the revolution will fight Cardinal Obando y Bravo's behavior. He is hurting himself, because the people realize that Cardinal Obando y Bravo has assumed a political stance, [words indistinct] religion. However, he has an opportunity to change his behavior. How?

If he wants to use his moral authority to raise a voice in Nicaragua, he can change his ways by denouncing the contras' crimes. Why doesn't he [words indistinct] U.S. Congress clearly and say: Gentlemen, I urge you to stop supporting the mercenary forces. Stop giving the counterrevolutionaries money [words indistinct] who kill Nicaraguan peasants and workers and wreak destruction. Things would be different if he did that. He has the opportunity to do something good [words indistinct] Nicaragua. He has done nothing for Nicaragua so far. [end recording]

President Ortega made the preceding remarks in response to a peasant who asked how Obando y Bravo will be treated when he returns to Nicaragua after having answered Reagan's call to mount a campaign of lies against the revolution. The revolutionary government is not incurring religious persecution in Nicaragua, Ortega said. Cardinal Obandoy Bravo practices religious persecution against those priests and church activists who favor social change, he said.

To close, Commander Ortega urged the people to be wary of relaxing their defensive tasks to counter foreign intervention and said that Obandoy Bravo's campaign is part of an overall scheme to bolster the counterrevolution.

[Begin recording] We cannot let down our guard, because Reagan is fighting to obtain more funds for the contras. There are even plans -- they say they have another way -- to send aid to the contras if those funds are disapproved. We cannot let our guard down, because the contras have not roamed around here lately. Why? Because the U.S. Government -- its President -- is intent on destroying Nicaragua. He is currently mounting a full campaign in the U.S. Congress to get more millions approved for the counterrevolution; more dollars of the U.S. people -- that the Congress approves -- so that those criminals and terrorists can come to kill peasants, destroy Nicaraguan peasants' homes, [words indistinct], schools and health centers; kill teachers, nurses, and doctors; and destroy tractors. And as someone said here, there are some political figures -- such as Cardinal Obando y Bravo -- who are lending themselves to that campaign. Reagan called Cardinal Obando y Bravo, and he rushed to the United States and began a campaign against Nicaragua. [end recording]

Bishops See 'Slander Campaign'

PA270322 Panama City ACAN in Spanish 1800 GMT 26 Jan 86

[By Filadelfo Martinez]

[Text] Managua, 26 Jan (ACAN-EFE) -- The Nicaraguan Episcopal Conference stated today that the Sandinist Government's "slander campaign" against the church has taken on an "official nature." The Episcopal Conference's permanent secretary released a communique issued by the bishops following yesterday's interrogation of Msgr Oswaldo Mondragon by State Security authorities.

Guillermo Aguilera, charged with being the head of a special anti-Sandinst internal front, said 2 days ago that Father Mondragon was allegedly involved in a terrorist plot called "Scorpion." According to Aguilera, who was presented to the international press, the "Scorpion" plan included carrying out a series of terrorist attacks against public places and the embassies of socialist countries. Aguilera said that he was told to recruit Father Mondragon.

The clergyman, who is the director of the Minor Seminary and is the parish priest for El Calvario Church in Managua, was interrogated yesterday for 90 minutes by members of the Nicaraguan State Security and released immediately.

The Nicaraguan bishops said today that the government's campaign against the ecclesiastical personnel became official when Communique No 4 was issued by the Press and Information Directorate 4 days ago. That official declaration stated that during a recent visit to the United States Cardinal Miguel Obando y Bravo began a campaign of "attacks and slander," accusing the Sandinist authorities of persecuting the church. The Managua government added that to date Cardinal Obando y Bravo had not said a single word regarding the "mercenary aggression" that has already caused more than 1,000 victims.

The Episcopal Conference charged today that one of the most frequently used tactics in the campaign against the church is accusing the Catholic hierarchy of "persecuting the clergymen." The Conference clarified that in his recent statements Cardinal Obando y Bravo did mention the problems that affect the life of the Catholic Church in Nicaragua. "His willingness to continue insisting on the dialogue, despite the many attacks he has suffered," is proof of the good will that exists to find a solution to the tensions with the government, the bishops said. The Episcopal Conference reported that between 24 December 1984 and 28 October 1985, 10 meetings have been held between representatives of the church and the government. The bishops have also written letters to government authorities expressing their willingness to talk, and on several occasions these letters have gone unanswered, the Episcopal Conference added.

On 30 December 1985 the Church hierarchy made its last request for a dialogue between Cardinal Obando y Bravo, president of the Episcopal Conference, and President Daniel Ortega. At that time the Sandinist Government suggested that the new meeting of the government-church commission be held in February. "At this meeting, Cardinal Obando y Bravo may meet privately with the companero president, if he so wishes," Rene Nunez, Nicaraguan minister of the Presidency, said in a message.

In their communique issued today, the bishops rejected "all slanderous charges against the clergymen on the part of people who, because of their physical or psychological conditions, have been deprived of their freedom." However, the communique issued by the church hierarchy does not mention Father Mondragon specifically. In conclusion, the Episcopal Conference reaffirmed that in their pastoral activities the bishops are motivated only by their faith in the Gospel, which urges the search for welfare for all and the defense of the rights of all Nicaraguans.

DELEGATION TO HONDURAS INCLUDES RAMIREZ, D'ESCOTO

PA271357 Managua Radio Sandino in Spanish 1219 GMT 27 Jan 86

[Communique of the Office of Information and Press of the Presidency of the Republic, issued on 27 January -- read by announcer]

[Text] The Information and Press Office of the Presidency of the Republic hereby notifies the Nicaraguan people that a delegation led by Vice President Sergio Ramirez Mercado will leave today for Honduras. The delegation will attend the inauguration of President-elect Jose Azcona del Hoyo. Other members of the delegation are Companeros Father Miguel D'Escoto Brockman, foreign minister; Herty Lewites Rodriguez, minister of tourism [title as heard]; Manuel Espinoza, minister of information and press [title as heard]; and Jose Leon Talavera, deputy foreign minister.

Managua, 27 January 1986; 25 years later, all weapons against aggression. [Signed] Information and Press Office of the Presidency of the Republic

RAMIREZ VIEWS ELECTED GOVERNMENT'S FIRST YEAR

PA251935 Managua BARRICADA INTERNACIONAL in English 16 Jan 86 pp 5, 6, 7

[Interview by Vice President Dr Sergio Ramirez Mercado with unidentified BARRICADA INTERNACIONAL reporter; date and place not given]

[Text] On January 10, 1985, Daniel Ortega was sworn in as the first Nicaraguan head of state to be elected in completely democratic and honest elections held in this country during this century. The sixth year of the Sandinista Popular Revolution began and was institutionalized amidst the U.S. Administration's increasing military and economic aggression; President Reagan himself has pledged to "remove" the Sandinistas from power.

At the end of the elected government's first year, the Sandinistas have not been overthrown by the United States. Are there economic problems? Yes, there are, acknowledged Nicaragua's vice president Dr. Sergio Ramirez in an exclusive interview with BARRICADA INTERNACIONAL. But the aggression has not succeeded in its objective to sabotage the economy in order to provoke popular discontent with the Sandinista government. Dr. Ramirez explains the difficulties of managing a war economy and speaks about the state of emergency decreed last October. He also offers possible Nicaraguan responses to a congressional approval of federal funds to directly finance military aggression against this small country, which would constitute a virtual declaration of war. He warns of the possibility that Reagan will manipulate the issue of Nicaragua to place Democrats in Congress on the defensive and prepare the way to direct intervention with U.S. troops. Latin America, he says, must realize that any confrontation with Nicaragua is, in reality, a confrontation with the interest of the entire continent.

[Reporter] Dr Ramirez, 1985 was a year of the U.S. trade embargo, of inflation, of huge shortages of goods like toilet paper, of struggling against speculation. How would you evaluate the first year of elected government, and what weight did the military defense effort carry in the economy?

[Ramirez] The U.S. aggression has not managed to disrupt our efforts to organize the economy or attain economic "growth," and this to me, seems to be our greatest accomplishment. In turn, it would be imperialism's greatest achievement if it caught us in these times without the ability to produce what we need, however little that might be, unable to bring in the harvests. Yet here we are, in absolute control, managing the problems and mobilizing contingents of voluntary workers to the harvests at the same time that the recruits who've already completed two years of military service are returning home. That is to say that we have the ability to organize production while trying to face up to the difficulties of defense.

That is what I would call our greatest success in the economy: to work in an organized manner and counter the destructive elements of the crisis that imperialism is trying to inflict on us, with solutions commensurate to the difficulties which help us to survive and move forward.

In 1985 the aggression against Nicaragua had an accumulative effect. Actually, the damage directly resulting from aggression has been inflicted since 1981, and about this time, Nicaragua's access to multilateral financial sources such as the World Bank, the Inter-American Development Bank and the International Monetary Fund, began to be gradually cut off, as a result of pressure from the U.S. Government.

These conditions produced by the economic aggression and a war no longer covert after the approval of US$27 million in "humanitarian aid," as they say there, have accentuated the war situation during 1985, which of course was compounded by the economic blockade decreed in May.

We can speak of an "economic crisis" in Nicaragua almost completely provoked by outside factors, tied to the U.S. Government's aggression. It is also true that we would have difficulties even if Nicaragua's economy were not subject to this ensemble of external causes, because it is an economy which is still based on agroexports, destined for the most part to traditional markets, and subject in turn, to the unfair laws of the international market. At the moment we are at any rate, having problems because the price of cotton has fallen, and the sugar prices have not recovered. We are paying more for the products we import from the West for agroindustry, the manufacturing industry, and even for agriculture itself, and we would in any case, be faced with the major problem of servicing the growing foreign debt. But these are secondary problems, when seen in conjunction with the conditions pressuring Nicaragua's economy. The most significant factor is the aggression which directly impairs production and services, above all in the rural areas. But there are other factors which affect the rural and urban labor forces, in that we are sending workers to the battle fronts and in this way affecting the rationalization of production, productivity, and the preparation of technicians in the universities and technical centers to improve production.

[Reporter] Could you give concrete examples?

[Ramirez] Whole production lines in different branches of industry have necessarily been dismantled as a result of the military service, not to mention the more direct effects in the countryside where the campesino militias come out of the production centers. It is often difficult for us to maintain the ideal balance between harvests, production and defense. Generally the greater emphasis is on defense.

Very few economies work as ours does. It's impossible to predict what the final outcome of planned objectives will be, if for example, you must be prepared for the possibility of three tanker trucks loaded with polypropylene for a plastics factory being blown up on the road to (Puerto de El) Rama. This is merchandise that you have already brought into the country after having had to buy it on a sellers market. You purchased it in the German Federal Republic because you couldn't get it in the United States and this meant a loss of foreign exchange.

The raw materials are being expected by a certain date in the factory and if they don't arrive, the production line comes to a halt, causing shortages on the domestic market, and this begins to have repercussions in the economy. The corn on a farm cooperative is ripe and ready to harvest when suddenly the campesinos must be mobilized to pursue a band of contras. These are the real problems our economy is facing.

Financing the war induces inflation by elevating public spending. Viewed from the outside, this situation would be termed a "crisis." However, from the inside, this perhaps is not the most appropriate term, because a crisis is provoked in an economy based on a model which has exhausted its possibilities, such as is the case in the majority of poor capitalist countries. Those countries are faced with the great international pressure of the foreign debt and unfair terms of trade, as well as the resistance of the dominant classes to modify the system of production, and internal crises occur which are reflected by inflation, unemployment, recession and capital flight. There is a strategic flaw in management, because the model that is being implemented is at odds with the country's reality. For example, it would be as if in Nicaragua, we abandoned agroexports in order to throw ourselves wholeheartedly into an industry for which there exists no real material bases.

None of these cases applies to us. The country's economy is forced to bear the conditions imposed by the Reagan administration's aggression.

[Reporter] There is an apparent contradiction implict in the Nicaraguan model in that on one hand there is a huge demand for social services, but on the other, it is impossible for the government to plan its income because a significant proportion of production is in private hands. How is this manifested?

[Ramirez] During the past six years, our economic model has undergone transformations, while continuing on its strategic course toward the radical transformation of the material conditions of the society that we inherited, in order to redistribute wealth under just conditions for the majority of the people.

This doesn't necessarily mean the massive expropriation of all means of production in private hands, rather it allows for a coexistence between private and state property. In addition, new forms of property ownership are being created, such as cooperatives, which are very common in the countryside. When the Sandinista Popular Revolution came about we were locked into an economic system dependent on U.S. and Western technology, material resources and markets. Transformation of this dependency has not progressed in a linear, "innocent" manner, but rather in the midst of the contradictions created by the clash with imperialism's interests and the war of aggression. Our revolutionary process is unfolding within the dialectic framework of the aggression; we have been subjected to these contradictions for six years now.

We did not make up the rules of the game, but despite the circumstances, we are moving forward. Our economy has undergone some fundamental changes; it is a mixed economy, but we hold the reins of economic management. I don't agree that we can't plan the economy just because we don't have every last mechanic's workshop or barbershop in our hands. We cannot forget that we do have in our hands:

-the national financial system;

-the ability to utilize national savings;

-the ability to administer foreign exchange in order to plan importations which, in turn, have repercussions on production and services;

-foreign commerce;

-strategic branches of production and services, such as some fundamental sectors of the textile industry, agroindustry, and some fundamental services like transportation.

There are areas in which we've advanced considerably, such as in agrarian reform, because if there has been one important transformation in Nicaragua, it is the agrarian reform. That a country the size of Nicaragua has distributed some 4.6 million acres of cultivable land to the campesinos, in a gigantic and irreversible step, because the conditions for the transformation of this country are going to be determined in the countryside.

We introduced some measures to help slow down or curb the growing circulation of money due to the limited supply of goods and services. We substantially reduced the subsidies in an attempt to adjust prices to their real levels, which in turn, helped us to pay the producers and campesinos fair prices and stimulate production; we reduced public spending and regulated bank loans. All of these measures produced their first important results in 1985, although it is not possible to reorganize the workings of the economy in one year especially under the conditions to which we are being subjected.

This a country under a permanent threat, under aggression. It is threatened principally with military destruction, but also politically and economically, and as a consequence has enormous economic difficulties. Under the conditions imposed by the aggression, there should not be a problem with (the shortage of) toilet paper, because toilet paper should not exist. We are still discussing the question of toilet paper here and the consumers still have the option to say that they don't like the lard imported from the Soviet Union (to substitute for vegetable cooking oil) and not to eat it. This means that they have an alternative, because if the only real option available was to eat this lard, I assure you we would all have to eat it. In spite of all the difficulties, we are able to offer consumer options, limited as they are.

[Reporter] One of the most controversial measures implemented during the elected government's first year in office was the state of emergency decreed in October. Don't you think that the country's image deteriorated with this action?

[Ramirez] Now, some months after the measure, understanding has evolved on the need to adopt juridical measures to allow us to manage our domestic situation. There were serious errors in information; we made mistakes at the time in explaining internationally what the state of emergency was, and this was taken advantage of by enemy propaganda to disseminate distortions and falsehoods about the nature of the state of emergency.

We cannot take on a defensive attitude when explaining the need to place ourselves under the juridical norms of a state of emergency, we won't make excuses, because that wouldn't be facing reality. The state of emergency had to be established because of the military aggression which we are permanently under, as well as the pressure exerted by imperialism's conspiracies to try to destroy the nation's social peace. The unity of the country is what has made it possible for us to be winning the war. In this area we can't stand around with our arms folded because this is a crucial battlefield in the overall war.

If in May or April of this year, the U.S. Congress gives in to pressure from the Reagan administration and approves the use of federal funds to directly finance the war with "lethal" aid, the internal legal institutions in the country will necessarily have to be affected more profoundly than they have been by the state of emergency. We would then have a real war with the United States on our doorstep with the blessing of Congress and financed directly by federal funds. We can't worry about justifying ourselves to the world, when the very existence of the country is at stake.

[Reporter] What measures would these be?

[Ramirez] I'm speaking in quite general terms. We would not abandon our search for new social, economic and political systems for the country if Congress passed such a measure.

[Reporter] The discussion of the financing of the war against Nicaragua could lead one to think that in the first semester of 1986, before the midterm elections, President Reagan might take all the actions which he deems necessary against the Nicaraguan Revolution, including a direct military intervention?

[Ramirez] It would be tempting to predict that between January and July, Reagan must succeed in getting Congress to approve military funds, step up the aggression and in addition decide in favor of direct intervention. Later, at the beginning of the midterm elections for the House of Representatives and the Senate, the aggression would have to decrease. After these elections, in 1987, the Republican Party would have to begin the search for a presidential candidate and therefore, we would be better shielded against the danger of invasion.

The dynamic Reagan is seeking is quite different. I think that he is trying to convert Nicaragua into an essential issue of the midterm election campaign, putting the Democrats in Congress on the defensive, in order to pressure them to support the allocation of funds to finance the counterrevolution's lethal actions. And if this isn't possible, he will introduce the initiative by employing the pretense that the issue being fought over in Nicaragua is U.S. national security and that whoever opposes additional measures is playing into the hands of international communism, and the Soviet Union. The greatest danger facing us in 1986 is that Reagan might feel confident enough to put forward an ultra right position and successfully manipulate the theme of Nicaragua as an election issue in order to change U.S. public opinion.

[illegible] what Reagan needs to smooth the road for military aggression against Nicaragua, w[illegible] is his ultimate objective.

[Reporter] What leads you to arrive at this conclusion?

[Ramirez] In Cartagena (during the OAS meeting in December) (Secretary of State) Mr. Shultz met with the ministers of the Contadora Group and its Support Group, and when they spoke to him about Nicaragua, his response was that Nicaragua is a cancer which must be cut out. The (Reagan) administration knows that this "cancer" can't be eliminated by way of the counterrevolution, which we are defeating, but it refuses to give up on the issue. The White House will continue its efforts to make the idea of aggression palatable, in political terms, to Congress and to U.S. public opinion.

Declarations by Reagan, Shultz, Abrams, Vernon Walters...are aimed at putting Congress on the defensive, working along a very simple premise: Nicaragua is a threat to the United States and to Central American security, it continues to support Salvadoran guerrillas and helps the Colombians. In short, it is a center for propagation of international terrorism, and if the United States doesn't support the counterrevolution in a more direct way there is no other option but direct military intervention. This is blackmailing the Congress.

[Reporter] And meanwhile is Contadora dead?

[Ramirez] That depends on Contadora. We continue to support that peace effort but we don't believe that one should continue talking about advances in the peace process, when in reality there has been a deterioration. It is not true that we are closer to peace now than ever before. The U.S. managed to consolidate political and diplomatic positions against the peace forces, defeating the September 1984 agreement using pressure and blackmail. And now the aggression against Nicaragua is becoming more intense. We have resolved that, unless the United States demonstrates its willingness to make a serious and formal commitment to halt its aggression against Nicaragua, we will not sign any document, or make any commitment.

If the United States persists in its determination to destroy us, we are not going to be so naive as to believe that a document will resolve the situation. Latin America, through Contadora and the Support Group must demand to the United States a serious attitude towards dialogue, negotiation and the disposition to arrive at an understanding. All of Latin American is at risk here, in the face of an arrogant, blackmailing attitude which does not permit any dissension with the U.S.'s objectives. This attitude brings the United States to commit actions which have never been seen before in international diplomatic relations. For example, when Shultz banged on the table in anger at the Yugoslavian foreign minister because he didn't agree with Yugoslavia's refusal to consider the PLO a terrorist organization. In another case Walters stated in Argentina that the Tupamaros and the Montoneros continue to be a threat because they're still alive; and he said that in Argentina, as if he were in Washington.

This boundless arrogance is creating distortions in international relations and we cannot remain impassive nor continue to dally when the situation has deteriorated so much. This is why we have issued a call for serious action so that the peace process can begin to produce results. We are not trying to pressure Contadora into taking Nicaragua's side in the matter. We are not telling Contadora that it should identify with the principles of the Sandinista Popular Revolution nor that it should endorse the revolutionary process. We're talking about the basic norms of coexistence and respect for the sovereignty of our country. If we cannot be granted even this negotiation, then nothing will be conceded to us.

If Latin America realized that this is a real confrontation with its interests and acts accordingly, as it did during the war of the Malvina Islands, and is doing with the foreign debt, we will be able to make progress. But if the governments assume a timid attitude, and allow themselves to be manipulated by the U.S. Administration's pressures these will be very serious times for Latin America.

This year the United States will wage a political a struggle in Latin and Central America in order to prepare more favorable conditions for a major action against Nicaragua. At the moment, the conditions for such a step are so unfavorable, that it hasn't dared, and that is where the struggle stands at present.

For example, the recent declarations by Guatemala's new president, stating that he wants to live in peace with Nicaragua and does not support military aggression are not at all favorable to President Reagan's foreign policy.

SOVIET SHIPS TO ARRIVE SOON WITH RELIEF

PA271638 Havana International Service in Spanish 1800 GMT 25 Jan 86

[Text] With the departure to Cuba of two more Soviet merchant ships, four Soviet ships will be arriving in our country soon, with aid to help offset the damage caused by Hurricane Kate, which hit this Caribbean island in November. The merchant ships Minsk and 50 Years of Soviet Ukraine are transporting more than 19,000 tons of rice. The other two ships that will soon end their voyage are transporting sheets of galvanized steel asbestos fiber. It has also been reported that the merchant ship Kovrov will depart from the USSR with a shipment of flour.

LITTLE CHANGE EXPECTED FROM HONDURAS' AZCONA

PA271735 Havana International Service in Spanish 0000 GMT 27 Jan 86

["Our America" commentary]

[Text] In the midst of conflicting opinions concerning the new administration's attitude on the Central American crisis, Jose Azcona del Hoyo will take over Monday as president of Honduras. This is the first constitutional transfer of power in the last 50 years in Honduras, as a result of many military coups d'etat in one of the most impoverished Latin American nations.

Jose Azcona del Hoyo is considered a follower of the general lines of his predecessor, Roberto Suazo Cordova, and has voiced his opinion on an overall solution to the serious Central American conflict. He has said that he supports the efforts of the Contadora Group in this regard. However, Azcona's statements on basic problems, such as the presence in Honduras of bands of former Somozist guards and of important contingents of U.S. troops, do not open any possibilities for ending the regional crisis.

The Honduran persident-elect recently visited the United States, where he met with several officials of the Ronald Reagan administration, but he declined to define what his stand will be concerning the two abovementioned facts, which are considered extremely important in promoting a dialogue in the area. Regarding this, although Azcona admitted that there are bases of Nicaraguan counterrevolutionaries in Honduras and that this violates the Constitution, he did not say he would adopt measures to put an end to this situation.

Far from defining a correct stand concerning the individuals at the service of a foreign power that are attacking a neighboring nation, the president-elect insisted that the topic might be discussed within the framework of conversations that also entail the end of what he described as Nicaragua's arms race and the presence of foreign military experts in Nicaragua. Azcona was also very careful not to comment on the virtual U.S. military occupation of Honduras. To this effect, he said only that the presence of U.S. soldiers in Honduras is legal and that they are there by the will of the Honduran Government. Personally, he emphasized, I have nothing to say about this issue.

However, various political sectors from Honduras and the rest of Central America insist that Washington has turned Honduras into an important aggressive element in the region, to the point that no less than 50,000 U.S. soldiers have been to Honduras since 1981 in order to become familiar with the topography and climate of the area.

In addition, new U.S. military bases are being built, in addition to the existing 13 bases, and warlike military maneuvers are constantly taking place in Honduras aimed against Nicaragua. There are over 1,000 U.S. soldiers permanently stationed in Honduras, in addition to experts in electronic espionage, helicopter and C-130 cargo airplane pilots, and intelligence personnel.

During his U.S. visit, Azcona admitted that it had been agreed with Washington that new Yankee troops will go to Honduras to carry out military engineering work, particularly the dredging of the Agua River, where naval units could be posted. All this leads one not to expect future actions by the new Honduran administration to find any definite solution in Central America and to believe that very little will change concerning the Yankee interference in that nation.

BISHOP ON CHURCH'S ROLE, POSSIBLE PAPAL VISIT

PM271055 Milan L'UNITA in Italian 15 Jan 86 p 4

[Interview with Msgr Carlos Manuel de Cespedes, chairman of the Cuban Episcopal Conference, by Massimo Cavillini, in Havana -- date not given]

[Text] Havana -- Go easy please, gentlemen. Let us have no spectacular statements, no sensationalism, and no great expectations. Let us go carefully, step by step, patiently and quietly. The two sides involved -- the socialist state and the church -- seem to have reached full agreement, at least on this point. And Msgr Carlos Manuel de Cespedes, chairman of the Cuban Episcopal Conference and direct descendent of the "father of national independence" of the same name, noted this from the start, almost anticipating the journalist's questions. Is this a historic dialogue? Is it a possible example of how to solve the age-old problem of church-state relations in countries of real socialism? "No. Look, what we are doing is simply raising, in the specific Cuban context, the question of how best to integrate Catholics in the new type of society created by the revolution. It is true that this problem remains unsolved in all socialist societies. But it has different aspects and characteristics in each country. Only history can say whether and when we will succeed in being a 'historic example.' We are not setting out with such ambitions...."

And yet despite its slow and cautious progress, the actual opening of a dialogue between the church and the state is arousing enormous interest in Cuba. There have already been two official meetings -- "about which," De Cespedes said, "there were too many rumors." In addition, the publication, at almost the same time, of the book "Fidel and Religion" -- a long interview granted by Castro to the Dominican Frei Betto -- made a considerable contribution to bringing the question to the forefront of Cuban political life. There have been numerous reprints, and 500,000 copies have already been put into circulation -- always sold out in a flash -- and there are now many people who, for more than one good reason, describe the editorial initiative as "the biggest dose of antidogmatism ever injected into the socialist state." The effects of this are bound to make themselves felt sooner or later.

The basic theme is how to avoid discrimination when the state is run by a single party and when membership in that party depends on following the philosophy of Marxist-Leninist atheism.

I asked Msgr De Cespedes: In what terms is all this being discussed in the present talks?

[De Cespedes] In fact, it is not being discussed, at least not in direct terms. The problem of the political and ideological requirements for party membership is obviously one which primarily concerns the party. What we are asking is that Catholics should be able to participate in this country's political and social life without being discriminated against because of their beliefs. This is the Cuban church's official position.

[Cavallini] What is your personal position?

[De Cespedes] Personally, as Carlos Manuel de Cespedes, I could add to all this that if the ranks of the party were opened to Catholic participation, it would create serious problems for both the party and the church. For the party, because such a broadening of the theoretical and philosophical bases would probably alter its nature. And for the church, because today, after being kept on the fringes for so long, Cuban Catholics are not, how shall I put it, "trained" for this level of political participation. And above all because the presence of this possible option -- being inside or outside the party, aligned with or opposed to socialism -- could produce the divisions in the church which we have succeeded in avoiding in recent years. As you can see, it is a fairly complex question for both sides. I am not saying that we cannot or even should not succeed in taking an open approach. But we must not rush into things.

[Cavallini] However, there is another more radical way of overcoming the problem of discrimination: increase the number of possible options or break the single party system. Is this being discussed?

[De Cespedes] No. I think it is a good rule to start any task from the beginning and not from the end. If what we are constructing is a ladder -- a long ladder -- this can only be the last rung.

What, in fact, are we discussing? What practical content will the joint task [illegible] "ending the era of discrimination" have? The answers come from unexpected directions when discussing different matters, for instance, when discussing why Catholics chose to go into exile in the sixties.

Take my family's case. They all left. All except, paradoxically, the two "most Catholic," my brother and myself, who are both priests. Why did they leave? There was probably more than one reason. Human decisions can rarely be seen as, how shall I put it, "chemically pure" reactions. However, I think there was one main reason: the education of children. In recent years I have had various opportunities to meet with them in the United States. None of them thinks they have found heaven on earth, and none of them feels particular bitterness or prejudice against the Cuban revolution. But they all emphasize one point: They have been able to give their children the education they wished.

[Cavallini] Would this have been impossible in Cuba?

[De Cespedes] Yes, for a Catholic. The schools are steeped in ideology, atheistic and Marxist-Leninist ideology.

[Cavallini] And is this what you want to change?

[De Cespedes] Look, I would not even dream of questioning the results of the Cuban revolution in the spheres of education or public health. They are extraordinary and incredible results.

And, obviously, I also think there are areas of social life in which the existence of an ideology is not only acceptable but even desirable. However, there are other spheres, through which everybody must inevitably pass, in which any ideology inevitably becomes a factor of discrimination.

[Cavallini] So, is it on this that the dialogue has started: on a possible "secularization" of the state?

[De Cespedes] Let us say on the creation of some "neutral" areas within the state. This can be done without casting doubt on its socialist character, with which even many Catholics agree.

[Cavallini] And do you think that this kind of approach would enrich the revolutionary process?

[De Cespedes] I am convinced of it. It would not challenge any of its results and would create the right conditions in the institutions for a better and more serene coexistence for all. I think that some divisions no longer have any meaning for anybody, despite the historical reasons behind them.

[Cavallini] And what were those historical reasons?

[De Cespedes] I think they were the inevitable product of a particular period. They were the memories of Soviet Stalinism and the Spanish civil war, which were still fresh, and a church which had not yet experienced the processes of renewal. As we say here: Either the revolution came too soon or Vatican II came too late. If the order of historical events had been reversed, we would certainly not be here discussing the problem now.

[Cavallini] Let us move from the past to the future, a future which many people think is near. Will the pope come to Cuba?

[De Cespedes] Obviously only the holy father can answer that. I personally think it is possible.

[Cavallini] Would you say it is possible and even probable?

[De Cespedes] I would say so. The basic conditions exist. The pope has said that he would come willingly. Fidel Castro has said that he would welcome him just as willingly. Of course, a visit by the pope to a country like Cuba is not an event like any other. It requires preparation and follow-up. First, favorable conditions must be created. Later, things will obviously not be exactly the same as they were. At the moment we are still in the preparatory stage.

[Cavallini] Many people think the pope will not come. The Cuban church has always been "small" and does not seem to have much room for expansion; and a visit by the holy father to the "country of revolution" would simply strengthen the left wing of the Latin American church or liberation theology, which has always seemed to be the main target of John Paul II's attacks in his visits to Latin America....

[De Cespedes] I take issue with both suppositions behind this argument. The fact that the Cuban church is "small" is more cliche than fact. It is more like an iceberg, of which only the tip is visible.

But, above all, I do not think John Paul II has spent his visits to Latin America attacking liberation theology, which is a very diversified and complex phenomenon. Moreover, some of the themes of liberation theology were to be found in the speeches the pope made in Peru and Ecuador. In fact, John Paul II courageously condemned hunger, poverty, and injustice. His visits cannot be interpreted in terms of the political situation. They have different motives: peace and preaching the gospel to the people. The pope visited Argentina during the Falklands war. And he certainly did not feel any sympathy for the generals' regime....

EPISCOPAL CONFERENCE PREPARES FOR MEETING

PA280153 Hamburg DPA in Spanish 2137 GMT 27 Jan 86

[Excerpts] Havana, 27 Jan (DPA) -- The Episcopal Conference of Cuba (CEC) today opened a preparatory meeting in Havana prior to the upcoming Cuban national ecclesiastical meeting that will serve as the framework for an analysis of relations between the Catholic Church and the socialist government of Fidel Castro. The Episcopal Conference meeting will last until next Thursday. The national ecclesiastical meeting will be held from 17 to 19 February and will be attended by various foreign guests, including an envoy from the Holy See.

In a preparatory document, the CEC stated that the Episcopate will try to discuss difficulties facing Cuban bishops in their pastoral interaction with the government in an "honest and sincere" manner, but "without portraying itself to civilian society as an opposition power or a high tribunal judging what is good or bad."

The meeting will base its work on meetings between President Fidel Castro and Cuban bishops on 8 September and 12 January, during which they analyzed topics related to the national educational system and the media. Among those who confirmed their participation in the meeting are Cardinal Eduardo Pironio, president of the Pontifical Commission for Laymen; Msgr Carlos Amigo, president of the Spanish Episcopal Conference and archbishop of Seville; and Msgr Emil Stehle, auxiliary bishop of Quito.

Msgr Carlos Manuel de Cespedes, director of the CEC Secretariat, has said that the main topic of the meeting that began today will be the ecclesiastical conference, but the meeting will also analyze a report presented by Msgr Adolfo Rodriguez, president of the Episcopal Conference, on his participation in a recent special synod of bishops and on an audience granted him by Pope John Paul II on that occasion.

Havana Notes Preparations

PA280143 Havana International Service in Spanish 0000 GMT 28 Jan 86

[Text] Today the Cuban Episcopal Conference held its first ordinary session of 1986 to prepare the topics to be discussed at the Cuban national ecclesiastical meeting, which will take place from 17 to 19 February. The meeting, to which personalities from various countries have been invited, will end a process of deep reflection regarding the Cuban Catholic Church's reality within the historical, socio-economic, and national political context.

Among the guests will be Cardinal Eduardo Pironio, president of the Pontifical Commission for Laymen; Carlos Amigo, archbishop of Seville; and Emil Stehle, auxiliary bishop of Quito.

INTERNATIONALISM TO BE STRENGTHENED AT CONGRESS

PA250344 Havana International Service in Spanish 0000 GMT 25 Jan 86

[Station commentary]

[Text] The program platform of the Communist Party of Cuba establishes that one of the objectives of our country's international policy is to give economic cooperation and technical assistance, according to our capabilities, to other underdeveloped countries of the world whose governments make sincere efforts to find adequate and just solutions to their economic and social problems.

We wish to recall that in 1975, when the Communist Party of Cuba was holding its first congress in Havana, Cuban internationalist fighters, together with Angolan patriots, repelled the treacherous South African attack against Angola, threatened by Pretoria from the moment it was founded.

Faithful to its programmatic principles, the Communist Party of Cuba has increased our country's cooperation with countries of the Third World. In 1970, Cuban technicians and laborers were working in 10 different countries. Today they are working in the most varied fields in more than 30 countries, and thousands of Cubans are participating in this task. In general, Cuba's cooperation is carried out according to bilateral agreements or through international organizations specializing in technical aid.

In the field of health, which spans more than 2 decades of international cooperation there are 1,500 Cuban doctors working abroad. Some 30 countries are receiving the services of specialists, nurses, and technical personnel who are contributing with recognized dedication to preserving the health of populations plagued with the most diverse diseases.

No less important has been Cuba's cooperation in education. Some 3,540 Cuban personnel from the Education Ministry and approximately 100 from the Higher Education Ministry are currently working abroad. Many are working in centers of primary, secondary, and higher education. We must remember that more than 2,000 Cuban primary school teachers gave Nicaragua active support in extremely inhospitable regions in order to guarantee an education to all children in that Central American country. Some of them were murdered by the counterrevolutionary bands, which in no way affected our teachers' international spirit.

In addition, there are 22,000 students from other countries studying here under scholarships granted by the Cuban Government, which places Cuba in first place in the number of foreign students per capita. These youths, who are receiving free education, come from 80 different countries. This spirit of cooperation and internationalism, for which the Communist Party of Cuba has educated the people, will certainly be strengthened during the third congress of our main political organization, to be held in February in Havana.

BRIEFS

NEW SOVIET AMBASSADOR -- This morning Comrade Carlos Rafael Rodriguez, vice president of the Council of State, met with the new Soviet ambassador to Cuba. During a solemn ceremony, his excellency Aleksandr Semenovich Kapto presented his letter of credentials, accrediting him as ambassador extraordinare and plenipotentiary from the USSR. [Excerpt] [Havana Television Service in Spanish 0100 GMT 28 Jan 86 FL]

LEADERS FAIL TO INVITE CHAMBERS TO MEETING

FL271502 Bridgetown CANA in English 1713 GMT 26 Jan 86

[Text] Port-of-Spain, Trinidad, Jan 26, CANA -- THE SUNDAY EXPRESS today reported that Trinidad and Tobago prime minister George Chambers was apparently not invited to a private meeting of Caribbean Community (Caricom) leaders in Mustique yesterday.

The paper quoted External Affairs Minister Errol Mahabir as saying: I am not aware that the prime minister of Trinidad and Tobago was invited to any meeting in accordance with procedures that apply to Caricom heads of government meetings.

St Vincent and the Grenadines Prime Minister James Mitchell called the meeting, which was attended by Guyana's President Desmond Hoyte, amid allegations of human rights violations and elections rigging in Guyana.

Mahabir told the paper Caribbean leaders' meetings would normally be convened by the current Caricom chairman, Barbados Prime Minister Bernard St John.

I know the prime minister could not attend the meeting anyway since he was committed to a party meeting in San Juan (East Trinidad), a meeting that was announced well in advance, Mahabir added.

Other leaders attending the Mustique meeting were Prime Ministers Dr Kennedy Simmonds of St Kitts and Nevis, Eugenia Charles of Dominica, John Compton of St Lucia, St John and Herbert Blaize of Grenada.

Hold Meeting With Hoyte

FL271455 Bridgetown CANA in English 1112 GMT 26 Jan 86

[By Michael Findlay]

[Text] Kingstown, St Vincent, Jan 26, CANA -- President Desmond Hoyte of Guyana has met eastern Caribbean leaders on the nearby island of Mustique and defended his government's conduct of last month's controversial general elections.

Hoyte told reporters shortly before leaving that yesterday's informal talks, which lasted about four and a half hours, were excellent.

Prime Minister James Mitchell of St Vincent and the Grenadines called the surprise conference amidst allegations of human rights violations in Guyana and calls for its isolation within the Caribbean Community (Caricom).

Guyana has consistently denied the charges, which gained momentum after allegations that last December's elections were rigged and this month's expulsion of a British-born Roman Catholic priest.

Other leaders attending the meeting were Prime Ministers Dr Kennedy Simmonds of St Kitts and Nevis, Eugenia Charles of Dominica, John Compton of St Lucia, Bernard St John of Barbados and Herbert Blaize of Grenada.

Hoyte said his government was circulating to the international media and other persons in the Caribbean a carefully documented government statement on the elections which he insisted were free and fair.

The leftist Working People's Alliance said it filed a high court writ last week asking the court to declare the election null and void because of alleged irregularities, and calling for another poll.

As Hoyte spoke representatives of a five-party Guyanese coalition were arriving in Barbados on continuation of a Caribbean tour seeking to put their side on the political situation at home. The team is due to meet with St John.

Hoyte said the statement included a detailed analysis of the elections and explaining very carefully why they were free and fair and why his People's National Congress (PNC) won such an overwhelming victory.

Hoyte said a video-cassette had also been prepared for circulation to show the progress of the elections.

He said it showed the massive support which the PNC received, support which, according to him, transcended racial grounds for the first time.

Hoyte said the major Hindu, Muslim and Chinese organisations in Guyana as well as the business community came out in support of the PNC, which won 42 of the 53 elected seats in Parliament.

Having seen the tape and having seen the representatives of these organisations coming to pledge support, and hearing them pledge support, there is no way that one could deny our support, he added.

Hoyte denied there was a problem between the church and the state in Guyana, but admitted the relations were not as government would like to have them.

He explained that the problems were between some individuals in the Catholic hierachy and the Government of Guyana.

Hoyte also said the meeting dealt with certain trends in Caricom trade and leaders talked frankly about ways and means of increasing and expanding trade and strengthening the fabric of Caricom.

But he expressed the hope that the problems would be resolved satisfactorily.

He said: Government had no interest in having conflict in the society.

He noted that Guyana was a secular state and that under the constitution, all persons were entitled to practice their religion without let or hindrance.

Hoyte said government took a neutral and even-minded position with respect to religion and treated all alike, with the same respect, giving them the same opportunities for their members to exercise their faith.

Sources close to the other leaders said they were pleased to have a discussion relating to the image of Caricom.

They said the leaders liked the informality of the meeting and agreed that when important issues of a sensitive nature arose, they would try to meet again in a similar setting.

Prime Minister Edward Seaga of Jamaica, deputy Prime Minister Lester Bird of Antigua and Barbuda and Prime Minister George Chambers of Trinidad and Tobago were also invited to attend the meeting. [as received]

Previous commitments forced Seaga and Bird to miss the meeting, but Chambers reportedly declined the invitation without giving a reason.

The meeting was Hoyte's first with most of the leaders present, since he became president last August.

BARBADOS

DELEGATION APPOINTED TO NICARAGUAN CONFERENCE

FL241930 Bridgetown CANA in English 1821 GMT 24 Jan 86

[Text] Bridgetown, Barbados, Jan 24, CANA -- A two-man delegation from Barbados will attend a conference on peace and security in Latin America and the Caribbean in Nicaragua next month, the Friends of Nicaragua group said today.

General Secretary of the Workers Party of Barbados, Dr George Belle, and Norman Faria, chairman of Friends of Nicaragua, are to attend the February 10 to 12 meeting in Managua.

The spokesman said that noted Barbadian author George Lamming had received an invitation to the parley, whose is no intervention and for peace in Central America. [sentence as received]

Over 100 people are expected to attend the conference.

During the visit, Faria will be making final preparations for sending a Barbadian brigade to do volunteer work in Nicaragua for a month, the group said.

ST JOHN CRITICIZES CARICOM DEBT NONPAYMENT

FL271613 Bridgetown CANA in English 2040 GMT 26 Jan 86

[By Irvine Reid]

[Text] Bridgetown, Barbados, Jan 26, CANA -- Barbados's Prime Minister Bernard St John today said the island would not be prepared to accept inadequacies such as non-payment of debts and trade restrictions in the Caribbean Community (Caricom) system.

At the same time, St John pressed his case for a treaty committing Caricom governments to honouring human rights.

St John made the comments while addressing the second and final day of his Barbados Labour Party's (BLP) 47th annual conference.

He said: Given the experience of the last few years of two-tier exchange rates, devaluation, licensing regimes and insolvency in three of the major Caricom markets, something will have to be done to ensure that those of us who manage our affairs efficiently and are able to continue buying and selling in the marketplace are not held to ransom either by the inability of a country to pay its debts, or the indifference of others who lack the political will to meet their international obligations because of pressure at home.

He added: During the last two years in particular Barbadians have had to endure the adverse effects of these difficulties in Caricom and, while in one case the government has been able to secure a bartering arrangement against the outstanding debt and in another, nudged, cajoled and at times openly pressured for the removal of trade restrictions, the Barbados Labour Party government will no longer be prepared to accept these inadequacies within the Caricom system.

St John said the fundamental assumptions of currency parties in Caricom which were in existence when Caricom was founded have been profoundly disturbed by the devaluations.

Said the prime minister: Indeed, one of the unique things about Caricom is that, notwithstanding the occurrence of this fundamental change, the Caribbean integration movement still remains intact.

This serves to illustrate that Caricom is not only about economics and trade but the fulfillment of the aspirations of the Caribbean people for unity.

The prime minister added: ...If we in Barbados were not convinced that we are beneficiaries of being part and parcel of a large Caribbean entity, we would have to had made the decision that the changes that have occurred and the implementation thereof were of such a character that we could no longer tolerate membership of Caricom.

St John said it was in recognition of the technical difficulties which a change of the existing Treaty of Chaguaramas will require that the Barbados Government has been advocating the formulation of a parallel treaty which will specifically address the question of human rights just as we have done in relation to transportation, health and other areas of functional cooperation.

He added: I believe that no government or political party in the Caribbean Community could afford to ignore the psychological impact of the failure to sign a human rights accord which has received the endorsement of the vast majority of Caribbean governments, particularly if the enforcement of such an accord is placed in the hands of a judiciary composed of Caribbean judges.

We can no longer allow the reputation of the Caribbean to be sullied while simultaneously pronouncing to the world on the injustices of apartheid and banning cricketers who have played in South Africa from our shores.

The prime minister said he firmly believed that the future economic success of this region lies in our ability, first, to make or grow as much as we possibly can to supply the needs of our own people and secondly, to combine our skills and raw materials in a joint effort to penetrate the North American and other markets.

The prime minister in his 75 minute address to his party followers complained that the Caribbean Economic Community, the main market for many of the island's industrial products is trapped in a network of licensing, indifferent government regulations and bankruptcy among some of its member states.

Outlines Government Gains

FL261623 Bridgetown CANA in English 2158 GMT 26 Jan 86

[Text] Bridgetown, Barbados, Jan 26, CANA -- Barbados will have to make major changes in the ownership and other areas of its agricultural sector to bolster development, Prime Minister Bernard St John said today.

Great changes in ownership, in production systems, in manpower requirements and in financing will have to take place, the prime minister said while addressing the final days session of his Barbados Labour Party's (BLP) 47th annual conference.

During the wide-ranging 75-minute address in Bridgetown, St John also looked at the government's performance over the last 10 years and problems with the Caribbean Community and Common Market (Caricom).

He said the government would devote more of its resources to the exploitation of energy and fishery resources as well as continue its programme of increasing production of food and the growing of export-oriented agricultural crops.

He told the more than 300 delegates that the 40,000 odd acres of agricultural land in Barbados capable of producing food must not be allowed to lie fallow to provide a home for insects and pests, desecrating the environment of our country. Its utilization was a challenge to all, he commented.

The BLP conference opened last Sunday, against the background of stepped up campaigning by parties here for a general election due later this year.

St John said that despite problems with the Caribbean Community and international recession, the government had had a creditable socio-economic performance.

The success that we have achieved in the past in energy development, in agricultural diversification, and in service development in the face of the recession, indicates that this political party's vision of a viable economic future for Barbados is a valid one, he asserted.

The prime minister said the government would continue to promote Barbados' development in the areas of tourism, services and manufacturing.

He said that greater concentration of resources will be needed to promote marketing skills and entrepreneurial capacity.

We must master all of the preconditions for trading in the United States and Caricom and wider Caribbean, including Suriname, the Dominican Republic and Puerto Rico, he added.

Our experience with recession in the Caribbean ought to have taught us that the Barbados market together with the Caribbean market is not large enough to provide the purchasing power needed to support an industrialized effort large enough to give employment to the numbers required in industry.

The breakthrough we have made in marketing winter vegetables in Europe and foundation garments in the U.S. ought to inspire us to greater effort, St John added.

He described his party's record of the last five years as one of which the party and government can be justly proud.

There can be no doubt that in the face of worldwide economic recession Barbados has continued to make steady progress, he asserted

Unemployment, running at about 21 per cent, is one of St John's major problems.

He said the party would continue its efforts to ensure that the social consequences of umemployment are relieved by the provision of social services within our means.

This will be pursued in tandem with our effort to restructure and expand our economic base, he said. Overwhelming evidence is now available that the measures taken by the government during the most recessionary period is the history of this country have achieved a substantial measure of success.

The party leader said inflation had been reduced to single digits, and construction was again on the rise, financed to some extent by savings generated by tax incentives introduced by the BLP.

Prudent borrowing from institutions of which we are member and on the world market have enabled us to continue a capital works programme designed to improve the infra-structure in Barbados, the prime minister said.

He told the party members and supporters the public sector deficit was now less than six per cent of the gross domestic product (GDP), and the debt service ratio was one of the lowest in the world according to World Bank.

GRENADA

COMMISSION FAILS TO LIMIT PRIME MINISTER TERM

FL271435 Bridgetown CANA in English 1920 GMT 25 Jan 86

[Text] St Georges, Grenada, Jan 25, CANA -- Grenada's Labour Minister Dr Francis Alexis has criticised the failure of the government-appointed Constitution Commission to devise proposals for limiting the holder of the office of prime minister to a specified period.

The commission was headed by retired St Kitts-Nevis Governor Sir Fred Phillip and included Professor Ralph Carnegie of the University of the West Indies.

The commissioners terms of reference had asked for recommendations on how to go about restricting a prime minister's tenure to two consecutive terms but in their report last November, they said it was a political matter with which they were not competent to deal. It seems to me that the commissioners see this (issue) as a hot potato and opted out of it which is just simply not good enough, Alexis, a lawyer, told CANA.

It really does not help the region when they opt out of those sort of situations and pass the buck, he added.

Alexis stressed that when these legal experts, highly regard as persons who might be able to provide guidance on such delicate issues, fail to make any positive reccomendations it defeats the purpose for which they have been turned to in the first instance. Asked whether the Grenada Government was still committed to pursuing its pledge to limit the tenure in office of the prime minister, he said this is still an official policy of the one-year old administration.

Certainly speaking for myself, I am fully committed to the notion that no one should be prime minister in our particular situation in Grenada for more than two consecutive terms or terms of not more than ten years... Alexis added.

The government is considering the commission's report.

DUVALIER APPOINTS NEW MILITARY UNIT LEADERS

PA270337 Paris AFP in Spanish 0121 GMT 27 Jan 86

[Text] Port-au-Prince, 26 Jan (AFP) -- An official communique issued today stated that Haitian President Jean-Claude Duvalier dissolved the Permanent Investigation Commission of the Dessalines Barracks (official name of the Haitian Political Police) and made important changes within the Haitian Army.

Duvalier ordered the transfer of 11 senior officers to the reserves, replaced the chiefs of two "strategic" combat units of the Armed Forces -- the Tactical Battalion of the Dessalines Barracks and the "Leopards" antiguerrilla corps -- as well as the chiefs of the Haitian Air Force and Navy.

The 11 senior officers affected by retirement are Colonel Albert Pierre and Lieutenant Colonel Emmanuel Orcel, -- two top political policy leaders -- Colonels Willy Gaillard (aviation commander), Francis Charles and Antoine Charles, Lieutenant Colonels Raymond Cabrol (commander of the Leopards), Delius P. Calixte (transmissions commander), Jean Henock Clerisme, Reynold Desnoyer, Samuel Jeremie, and Major Joffre Carre.

Another senior officer, Major Yonel Elysee, was discharged.

The new officers appointed by the Haitian President are:

Colonel Jean-Claude Paul, new commander of the Tactical Battalion of the Dessalines Barracks. He was formerly the second in command of that unit.

Colonel Fritz Romulus, chief of the Leopards Corps. Romulus was responsible for the security of Jean-Claude Duvalier in the early 1970's, was forcefully retired in September 1983, and now has been reinstated in the Army.

Colonel Cecilio Dorce, chief of aviation. He was formerly a Haitian military attache in Washington.

Colonel Prosper Avril, inspector of the Presidential Guard. He was forced to retire in September 1983. He is considered to be a close friend of Duvalier and has now been reinstated.

The president reinstated to the Army three other senior officers who were retired in September 1983: Colonels Acedius Saint Louis, as deputy chief of the general staff; Louis Thony Jr, as chief of the Army Juridical Service; and Gerard Lacrete, as ground, sea, and air military attache in the United States.

The anticontraband brigade under Colonel Albert Pierre was also dissolved by President Duvalier.

It may be recalled that since 28 November, President Duvalier has been facing the most serious internal political crisis since his rise to power in 1971. The government has kept schools and universities closed since 8 January.

LARGE ANTI-DUVALIER DEMONSTRATION HELD AT RESORT

PA271257 Buenos Aires REUTER in Spanish 1210 GMT 27 Jan 86

[By Phil Davison]

[Text] Cap Haitien, Haiti, 27 Jan (REUTER) -- Thousands of people shouting "Down with Duvalier" took to the streets at this Haitian resort and troops with sticks entered the cathedral during one of the largest protest demonstrations ever staged against President Jean Claude Duvalier.

Foreign tourists, most of them U.S., French, and Canadian citizens, were trapped in these incidents at this northern port where Christopher Columbus landed in 1492 and which is Haiti's most picturesque tourist center.

A U.S. family told REUTER that as they were driving through the narrow streets to their hotel yesterday, a group of demonstrators tried to overturn their car and threw paint on the windshield. They added that the group later allowed them to continue to their hotel without further problems.

Foreign newsmen who toured the town later found a less tense situation and confirmed that most of the people had a friendly attitude and were more than willing to talk with the press.

It was reported that some people were hurt, apparently victims of the blows dealt by the soldiers, but no one was seriously injured when the troops fired live ammunition in the air, hurled tear gas at the demonstrators, and struck several people inside the cathedral during the evening mass, eyewitnesses reported.

The demonstrators, most of them adolescents, some armed with sticks, attacked a gas station, apparently in an effort to set it afire. However, soldiers and militiamen forced them to retreat.

Groups shouting "A Bas Duvalier" (down with Duvalier) stoned the studios of the Cap Haitien radio station, accusing it of airing propaganda favorable to Duvalier.

These demonstrations showed the level of intensity reached by the anti-Duvalier movement in these past 2 months ever since security forces killed three students during a similar march staged in Gonaives on 27 November.

The majority of Haitians have criticized Duvalier, who has been ruling for almost 15 years, and his father Francois "Papa Doc," who led the country for 13 years, for some time; however, now more and more of them are willing to assume the risk of reprisals for speaking openly about it.

Residents said that yesterday's protests were staged after the distribution of anonymous pamphlets throughout the town the night before, calling the people to participate in a large protest set for the afternoon hours.

During the mass, those attending it began to shout anti-Duvalier slogans right after the final prayer, these residents added.

Many townspeople told reporters that there is no doubt that the Duvalier government will end soon, certainly this year. Several predicted that the Army will take over, thus beginning a period of military rule that will lead to democracy.

"We are desperately hoping for a change," a student told REUTER. "We don't care what kind of change it is, in the beginning, as long as it means getting rid of this man Duvalier."

Troops Patrol Streets

FL127936 Bridgetown CANA in English 1806 GMT 27 Jan 86

[Text] Cap Haitien, Haiti, Jan 27, CANA-REUTER -- Troops patrolled the streets of this resort town today following anti-government protests yesterday in which foreign tourists were attacked and soldiers invaded a Roman Catholic cathedral.

Few cars were in the streets this morning and service stations were closed and encircled by troops or militiamen. One station was attacked by protesters yesterday and a pump was ripped off its foundation.

The protests were the worst against President-for-Life Jean-Claude Duvalier ever seen in Cap Haitien, Haiti's second largest town after the capital Port-au-Prince.

A U.S. family which asked not to be identified told REUTER they were driving through the narrow streets towards their hotel when a group of demonstrators rocked their car, threatening to turn it over, and sprayed the windscreen with paint.

We were pretty scared, particularly the kids, the father said. For a moment, I was prepared to kill, to drive over them, just to get out of there. But they let us go.

At least a dozen soldiers, armed with rifles and clubs, entered the cathedral at the end of morning mass. Witnesses said the troops scuffled with worshippers at the back of the cathedral and clubbed several people.

Later, thousands of youths marched through the towns narrow streets, chanting Down with Duvalier. A few minor injuries, apparently from clubbings by soldiers, were reported. Troops fired live rifle rounds in the air and threw tear gas to turn back the protesters.

The demonstrators, mostly teenagers and some carrying sticks, stoned the studios of the Cap Haitien radio station, accusing it of broadcasting only pro-Duvalier propaganda.

The demonstration emphasized the momentum the anti-Duvalier movement has gained in the past two months, since three students were killed by security forces during a similar demonstration in the town of Gonaives on November 27.

Previous, smaller protests here and in Gonaives were strictly anti-Duvalier and were not antagonizing the Army, often chanting pro-military slogans, but that appeared to be changing.

Many people here had looked to the army for liberation. But this has changed everything, said a teenage student, speaking of the cathedral incident. He predicted more and bigger demonstrations in coming days.

Some young men said they would favour a U.S. takeover of their country so long as Duvalier, president since 1971 when he succeeded his father Francois Papa Doc Duvalier, was removed.

SOVIET TRADE DELEGATION SIGNS BAUXITE AGREEMENT

FL241543 Bonaire Trans World Radio in English 1130 GMT 24 Jan 86

[Text] Guyana has agreed to resume supplying bauxite to the Soviet Union. The agreement was reached during a visit to Guyana by a Soviet trade delegation.

The six-member delegation was headed by the minister of foreign trade in Moscow. The group spent 1 week in Guyana during which talks were held with Guyanese team headed by the permanent secretary and the local minister of trade.

A statement issued at the end of the talks said a memorandum of understanding was also formalized dealing with the possible areas of cooperation in the future.

The leader of the Guyanese delegation said the contents of the bauxite contract are the end product of a harmonious combination of discussions. The head of the Soviet delegation said the contract marks one step more in the development of trade and economic relations between Guyana and the Soviet Union.

Barter Contract

FL251550 Bridgetown CANA in English 1538 GMT 25 Jan 86

[Text] Georgetown, Guyana, Jan 25, CANA -- Guyana will supply the Soviet Union with bauxite under a long-term barter contract signed here yesterday.

Guyana will be paid in agricultural machinery, electronic equipment, and pharmaceuticals in short supply here because of the country's prolonged foreign exchange crisis.

Guyana is also to benefit from experts coming from the Soviet Union to teach in the faculty of medicine at the University of Guyana.

No details were given about the contract, signed at the end of a week-long visit by a Soviet delegation, but Guyana Government sources had earlier said it will last seven years.

The two sides also signed a memorandum of understanding dealing with possible areas of co-operation in the future.

Possible co-operation in gold and diamond mining was also discussed. No further details were given.

Head of the Guyana delegation Patrick Mootoo described the arrangements as a harmonious combination of air packages.

The head of the Soviet delegation, Nikolai Vasilyvich Zinovyev, said it was the policy of the Soviet Communist Party to deepen co-operation with the developing countries to assist them on their road to economic development.

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COLOMBIA'S RAMIREZ EXPRESSES FAITH IN CONTADORA

PA271330 Tegucigalpa Cadena Audio Video in Spanish 2323 GMT 26 Jan 86

[Excerpts] Colombian Foreign Minister Augusto Ramirez Ocampo has annouuced that the presidents and heads of state who are attending the swearing-in ceremony of the new Honduran president will meet tomorrow with U.S. Vice President George Bush. Foreign Minister Ramirez said:

[Begin recording] [Ramirez, in progress] ... Colombian people, because you have satisfactorily culminated another democratic process in Latin America. I believe that it was (?nicely handled), and all the brother countries are happy with the fact that democracy has once again [word indistinct] and proves that it is an essential basis for the search of peace [words indistinct] peoples of Latin America.

[Unidentified reporter] Speaking of peace, do you think that Contadora will achieve peace in Central America?

[Ramirez] We have not lost that hope. As you know, we met recently in Caraballeda and in Guatemala. We know that only a negotiated political solution will bring peace to Central America, and, as members of the Contadora Group we have faith in the process.

[Reporter] Will the fact that new governments are being sworn in in Central America represent an advance in the efforts being made by the Contadora Group?

[Ramirez] I think that the policies of Guatemala and Honduras, two countries making their democratic transition, a transition Costa Rica will also make shortly, do not affect the process. I think that the Central American willingness to search for peace, based on the prompt signing of the Contadora Document for Peace and Cooperation in Central America, was reiterated during the presidential campaign in those countries just as it was reiterated during the swearing-in ceremony of Guatemalan President Vinicio Cerezo, and hopefully also at President Azcona's swearing-in ceremony.

[Reporter] How can the Contadora Group peace-making efforts succeed when there is an increasing U.S. presence in the area through constant military maneuvers in Honduras?

[Ramirez] The Contadora Document establishes, and we have just ratified this point in the Caraballeda message, what we have called permanent bases for peace in Central America. Among these bases we have included that no country should attempt to intervene in another country. It is also indispensable that the processes of national participation, of national reconciliation, of respect for human rights and basic freedom be consolidated in Latin America. Therefore, without these permanent bases it is impossible to achieve peace. We seek, through the Contadora process, to establish peace not only based on disarmament but also a disarmament of spirit, disarmament of the war spirit. We feel that the best way to achieve this is through a negotiated solution. On this issue I must reiterate that we believe that in Latin America counterrevolution or revolution cannot be exported. [end recording]

LABOR LEADERS COMMENT ON STRIKE'S EFFECTS

PY272335 Buenos Aires BUENOS AIRES HERALD in English 27 Jan 86 p 5

[Text] (NA-DYN) -- Much more comment on last week's general strike continued to be forthcoming yesterday while the CGT [General Confederation of Labor] announced further plans which may be confirmed tomorrow and strongly criticized the government who in the course of this week face a renewal of the short strikes which had died down last week due to the imminence of last Friday's strike.

The Banking Association announced step two of their plan in demand of an emergency 100-austral increase will go into action tomorrow. The public will not be attended in Banco Nacion, Banade [National Development Bank], and Sudameris banks in the last three working hours from 1 pm to 4 pm.

Aerolineas Argentinas (AA) pilots threaten to strike again tomorrow and Wednesday unless their salaries are brought up to international level, but AA President Horacio Domingorena meets APLA [expansion unknown] pilot representatives this morning in a last-ditch attempt to avoid the strike. Domingorena said the strike could be declared illegal and has threatened to lay off strikers who reject allegations their measure is "a rebellion against the government."

FEMECA [expansion unknown] metropolitan doctors' union announced its members will call a halt to their activities for 48 hours as from midnight tomorrow. The FEMECA union suspended strike measures on January 15 and January 16 on the strength of promises received from Health Secretary Carlos Canitrot which they now consider to be "unsatisfactory."

The 62 Organizations expressed its "satisfaction" at the result of last week's strike and called for "respect from all components -- and especially from those congressmen who spoke out against him before the strike -- of the social body" for CGT leader Saul Ubaldini. "The Argentine community is showing signs of great maturity and healthy unity in defence of its common interests," the 62 added.

On the other hand, Buenos Aires Radical provincial party committee chairman Juan Manuel Casella accused CGT leaders of "wanting to destroy any government attempt to bring about unity, trying to perpetuate themselves in power and of being out of tune with the times." He said "unless the CGT stops being vindictive and politicized it will be impossible to discuss with them how to subsidize some products on the family budget." Casella suggested the CGT "could discuss how to make rent contracts cheaper by means of a contract that would eliminate middlemen and for which the National Savings Bank would act as guarantor."

Intransigents Nestor Vicente and Raul Rabanaque Caballero agreed that the strike was a total success, "a rejection of dependence and the recessive policies the government wants to impose in the name of ethical solidarity and modernization." Vicente said it was a call on the government "to abandon the realism on which injustice has subsisted."

On the Radio Belgrano programme "Manana, Tarde y Noche," Radical Deputy Enrique Vanilo called the strike "a useless gesture, a political act whereby Mister Ubaldini is trying to make the most of the confusion the country is in and get to the helm of the Peronist party." On the same programme Peronist Deputy Osvaldo Borda denied the CGT intended to "co-govern" the country.

The Workers' Party and the Peronist Youth both agreed the strike was a complete success and called on the government to "change its tack in order to arrive at justice and a free democracy."

Socialist Confederation President Alicia Moreau de Justo sent a congratulatory telegram to CGT Secretary-General Saul Ubaldini which said: "The success of the workers' strike has re-affirmed the anti-imperialist and democratic vocation of Argentines."

Ubaldini -- who also received a congratulatory telegram from MID leader Rodolfo Calvo -- announced on Saturday the CGT will hold a congress sometime in February "which will be a means to find out the overall opinion of all sectors of society and then to draw up a project which will create the necessary conditions for growth."

CGT Directive Council member Ramon Baldassini added yesterday: "February 18 will probably be chosen for the Congress but this will have to be agreed by the CGT in its next plenary meeting in Parana." The FOECYT [Federation of Postal and Telecommunications Workers] union leader also said representatives from all walks of life would be invited and a special invitation would be sent to the Church. The government will also receive invitations "but as members of the Radical party because as members of government it will be their responsibility to implement proposals made at and by the congress."

Baldassini further informed that step one would be to set up a commission to organize the congress which will have "the foreign debt, economic recovery and distribution of income" on its open-ended agenda which will be open to suggestions from any of the participants.

Radical Deputy Jesus Rodriguez said the proposed congress "shows an excellent disposition on the part of the CGT as long as it does not overlap with the role of political parties." According to Rodriguez, "The CGT's decision to initiate an open debate after calling a general strike is not as illogical as it seems because the CGT is trying to become the focal point of the opposition party."

Christian Democrat Deputy Augusto Conte agreed with Rodriguez and said his party "would be prepared to attend the congress and try to find even minimum agreements." Conte went on to say, "Working together is the only way all political and social sectors will find a way to rescue the country from the serious crisis it is going through." Intransigent Oscar Alende said he was "enthusiastic" about the congress, while the Movement for Integration and Development (MID) said they were in favour of attending.

The CGT came out strongly against the government in a document issued last Friday in which they said: "The people should know the government is dealing in Washington and New York behind Congress' back and to the ignorance of public opinion." The document then accused Labour Minister Hugo Barrionuevo "of worrying about one day's wages and not about the wages of every day." It accused Barrionuevo "of being meaner than the owners," in reference to the fact he had warned strikers would have a day's pay docked from their wages.

In another labour development ENCOTEL [National Enterprise for Mail and Telegraph] chief Ignacio Ortiz is scheduled for "a private and personal meeting" with President Raul Alfonsin today to discuss the reasons which led up to the presentation of his resignation last Saturday. President Alfonsin will "then decide whether to accept it or not."

SOVIET ENVOY MEETS PAZ, SEEKS COOPERATION

PY281809 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jan 86

[Text] President Victor Paz Estenssoro yesterday received Soviet Ambassador Arkadiy Glukhov, who has reported that his government is interested in signing bilateral cooperation agreements. Glukhov said he expressed to President Paz the Soviet determination to maintain bilateral agreements, especially in the fields of nonferrous mining and metallurgy. He also reported that more than 70 Bolivians will study technical careers in the Soviet Union through scholarships within the framework of the current Bolivian-Soviet cultural exchange.

Arkadiy Glukhov said he asked for the Bolivian opinion about nuclear disarmament and Mikhail Gorbachev's proposal to stop the international arms race. He said that Gorbachev addressed all countries on 15 January and expressed the opinion of the Soviet Government and people on these subjects, and that he had also requested the peace-loving peoples' support for this cause.

GOVERNMENT HONORS DEBT TO U.S. OIL COMPANIES

PY271959 Paris AFP in Spanish 1437 GMT 27 Jan 86

[Text] La Paz, 27 Jan (AFP) -- According to a government decree enacted in La Paz today, the government of President Victor Paz Estenssoro will pay $80 million in debts dating back to 1982 to the U.S. oil companies Tesoro and Occidental.

Tesoro and Occidental own 50 percent of the hydrocarbons extracted in Bolivia and sold to Bolivian Government Oil Deposits (YPFB) for domestic consumption.

Guillermo Moscoso Riveros, a former energy and hydrocarbons deputy minister in the government of Hernan Siles Zuazo (1982-1985), has stated that the Tesoro and Occidental oil companies owe Bolivia more than $300 million in unpaid national taxes and departmental royalties.

Moscoso Riveros warned that the contracts signed by the Tesoro and Occidental oil companies do not conform with the General Hydrocarbons Law forcing them to pay taxes.

He stated that because of the tax exemptions they enjoy, Tesoro and Occidental profit from 72 percent of the hydrocarbons output, while only the remaining 28 percent goes to the state.

RECORD INFLATION PROMPTS EMERGENCY PRICE FREEZES

HK280542 Hong Kong AFP in English 0532 GMT 28 Jan 86

[Text] Rio De Janeiro, Jan 28 (AFP) -- Prices rose 16.2 percent this month, the fastest pace in Brazil's history, the Brazilian Institute of Geography and Statistics announced Monday. Finance Minister Dilson Funaro blamed this on speculation with food, which is in short supply because of the drought in southern Brazil. He announced a series of emergency measures including a 30-day freeze on prices of sugar, beans, meat and rice, and slowing the disbursement of Federal funds to the states and cities.

Mr. Funaro and the Statistics Institute contended that inflation would decline after the exceptional January figure. But inflation already totaled 233.65 percent in 1985, the most ever for one year, compared with 223.8 in 1984. The previous monthly high was 14 percent last August. Prices rose 13.3 percent in December. Inflation has risen gradually from a low point of 15.5 percent in 1973.

COFFEE EXPORTS SUSPENDED UNTIL PRICE RECOVERS

PY281339 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 28 Jan 86

[Text] Brazil will suspend its coffee exports until the international price recovers. This announcement was made by the president of the Coffee Technical Commission of the Brazilian Coffee Institute, Mauricio Lima Verde. Twenty days ago, the price of the 60-kg bag dropped from 4.5 million cruzeiros to 2.5 million cruzeiros. Lima Verde said that Brazil is facing the worst crisis in the history of coffee planting and that the price of coffee exports needs to be enhanced. He added that no transactions will be made at low prices.

NAVY MINISTER DISCUSSES SHIPBUILDING PLANS

PY280148 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jan 86 p 2

[Excerpt] Navy Minister Henrique Saboia yesterday said in Belo Horizonte that the Brazilian Navy will spend $1.5 billion up to 1991 on the construction of eight submarines and eight corvettes in addition to warships and patrol and training boats. The money will also be used for the purchase of helicopters, tugboats for the high seas, and the reequipment of naval rifleman corps. Saboia, who received the Inconfidencia and Santos Dumont award from State Governor Helio Garcia, also said that this money, which has already been appropriated by the Ministries of Finance and Planning, will be increased by the payment of $30 million a year in royalties for oil exploration carried out by Petrobras.

Saboia said that Brazilian Navy's equipment is not in accordance with the country's potential and its maritime interests, and that the needs of the Navy cost much more than Brazil can now sustain. He added that the solution was to break up the program for reequipping the Navy in partial programs, such as the construction of floating units in Brazilian and private shipyards. Beginning in 1991, a new program will be submitted for study to the economic area of the government.

SOCIALIST LEADER LAGOS DISCUSSES PARTY'S ROLE

PY241941 Santiago CAUCE in Spanish 20-26 Jan 86 p 20-23

[Interview with Socialist Party leader Ricardo Lagos by CAUCE journalist Eugenio Gonzalez -- time and place not given]

[Text] [Gonzalez] Like most opposition parties, the Socialist Party [PS] is quite divided. To clarify the situation...how many socialist parties are there in Chile today?

[Lagos] Throughout the 12 years of dictatorship, the socialist constituency has remained united. If you take a tour through the country you will see that the socialist constituency is intact and that fortunately, disagreements at the leadership level have not affected the socialist people. The point is that there are many interpretations of everyday developments. Speaking in general terms we could say that there are two main socialist trends: the sector that has stuck to the heavily ideological socialist framework of the 1960's, and the other sector that has a different approach to socialism in light of new elements present in Chilean society, that is, the changes brought in by the dictatorship. The latter renewal of socialist beliefs in Chile is based on three elements: a theoretical renewal, a renewal prompted by the new Chilean status quo, and the influence of truly socialist systems around the world. Thus, there are two large factions and the process toward unity will develop around these two factions....

[Gonzalez] But meanwhile this socialist constituency about which you have been talking is wondering when this unity will come about....

[Lagos] The process toward the unity among organizations requires agreement on certain methods and this agreement in turn requires a certain amount of freedom and elbow room to resolve any possible conflicts. This is quite impossible under a dictatorship. If you and I disagree on a given subject in a pluralist, democratic, and open system of government...we would vote. But how can one vote under a dictatorship?

It is not by chance that under other lenghthy dictatorships the unity of socialist forces took place once the democratic system had been reestablished. Several socialist groups participated in Spain's first elections [after Franco's death]. Only one group emerged as the representative of the majority and it is now the axis of the socialist unity process. I am not saying that in Chile a democratic system is a prerequisite for socialist unity. I would like to see this unity come to pass sooner because it would help bring about the downfall of the dictatorship.

[Gonzalez And because they are divided, Pinochet steadies himself in power....

[Lagos] Actually, the difficulties within the parties are not commensurate with the serious problem affecting the country. Concerning the confrontation with the dictatorship, there are certain criteria shared by everyone and it is clear that 80 or 90 percent of the civilians are against Pinochet. The civilians do not stand for a Christian democratic, socialist, or liberal way out but for a democratic system of taking turns in the holding of power. That 90 percent are aware that the Chilean crisis is so deep institutionally, economically, socially, and culturally that there must be a nationwide response during the transition period following the dictatorship, which lays the groundwork for future institutionalization so that later on there can be a choice among Christian democratics, socialists, and liberals.

[Gonzalez] Do you believe that the people are not aware that the opposition is split?

[Lagos] There may be such an awareness but I am also thinking of the National Accord for the Transition fo Full Democracy. The National Accord was signed by the Socialist Party, Briones faction; the Socialist Party, Mandujano faction; the Christian Left (IC); the MAPU [United Popular Action Movement], which approved the National Accord and immediately joined it; and I would also include the PS, Almeyda faction which assessed it positively as soon as it was released. Thus, there are five parties in the National Accord, which represents a clear response by socialism to the Chilean crisis. Let us not delude ourselves. There is a much greater socialist identification vis-a-vis the dictatorship than shown by the scattering of the various parties, a scattering that the pro-dictatorship press is interested in exaggerating.

[Gonzalez] It has been stated that 1986 will be the year of social mobilization. How can mobilization be achieved when there are parties within the National Accord opposing it?

[Lagos] The National Accord must be seen as just a group of principles by which we, the parties that have signed it, commit ourselves to laying the groundwork for a democratic system. We want to fulfill those principles. Some people believe that this can be achieved through negotiations -- at this time I do not know with whom because the captain general [Pinochet] has said no -- but let them continue thinking of some type of negotiation. Other people, including ourselves, believe that those principles will be achieved by virtue of a mobilization, by which 90 percent of the Chilean people at some future time will bring this country to a halt. Despite the fact that the captain general has stated that he has turned the page, what will happen in Chile is that not even a leaf will be moving.

[Gonzalez] I repeat. Within the National Accord there are parties opposing a stoppage in Chile.

[Lagos] Actually, there are no reasons for including the mobilization and negotiation issue in the National Accord. I do not have the right to suspect that those who want to negotiate, want to disregard the principles of the National Accord. Moreover, I do not agree that those who oppose mobilizations believe that I am disregarding the principles of the National Accord because I myself am mobilizing. When I say mobilization it involves all those who believe that this way the Chilean political system and the reconstruction of the Chilean society will be restored. In this nationwide response to the crisis.... everyone is needed.

[Gonzalez] Including the communists ....

[Lagos] But of course. The communist issue reveals the parochial approach of Chilean politicians. When De Gaulle returned to Paris, which had been devastated by war, and was faced with the challenge of rebuilding France and its institutional , democratic and material bases that had been destroyed by the Nazis, he did not feel that there was no room for communists. The parochial manner in which Chileans approach this subject reveals the extent to which the dictatorship has been successful in narrowing formerly broad Chilean minds and in making everybody worry about certificates of good behavior.

There is a paradox here because people will not begin talks with the communists because the communists favor violence, and there will be no talking until they change their minds. However, you must have seen that there are talks with Mr. Cardemil, who is a representative of a regime guilty of practicing state terrorism for 12 years, and I do not believe that anyone has told him: Give up state terrorism.

[Gonzalez] As far as you are concerned, in light of the results of protests, partial stoppages, and other actions undertaken last year; is a general strike the only tool left to defeat Pinochet?

[Lagos] I have no doubts that this is so. A national strike in Chile would be a civic stoppage involving people who owe on their mortgages, teamsters, merchants, professionals, students, etc. It would be, so to speak, a strike that goes beyond the working class, it would not be a traditional strike. If 90 percent of the people stop we will have the authority to say no to Pinochet and yes to a set of principles with which we want to replace Pinochet.

[Gonzalez] For a nationwide strike to be successful it must be organized in a serious and responsible manner. As far as you are concerned, who must make the call, the workers or the politicians?

[Lagos] Everyone must participate in the call to strike. The political class must accept its responsiblility and run the risks and face up the consequences, just as Seguel, Bustos, or Di Giorgio did in the past. However, the social sectors must follow suit to make it clear that they are also behind the workers' demands. What I mean to say is that this stoppage must have two objectives: democracy and change of a number of material aspects which will be necessary for democracy to survive.

[Gonzalez] It has been said that there will be no solutions to economic problems in the short run. For the sake of argument, what can we expect over the next 10 years?

[Lagos] You are asking for solutions within 10 years because you presume, quite realistically, that the current system does not provide any. This is true because within the framework of the Chicago economic policy and the ideological extremism that the Chicago Boys have displayed, there can be no solutions. The development of an economic solution requires political changes first.

First, there must be a nationwide response beyond anything any political party can produce on its own. In order to come up with a solution we must first identify our problems: unemployment, income distribution and the problem of the have-nots, those who are actually outside the social spectrum altogether. How should we tackle this problem? First: the burden of the foreign debt must be handled along the lines devised by President Garcia or President Alfonsin. Second: what should be the domestic approach to the socioeconomic changes that have been made at gunpoint? It calls for measures that have to do with the privatization schemes cooked up behind the people's backs and the terms under which the domestic debt of economic conglomerates is being renegotiated. This must be reviewed. Third: the changes that have been made in other areas of the economy must also be corrected, like the social welfare system for example. It is profoundly antidemocratic to allocate investments on the basis of market capability because most Chileans have no say in the matter, and it is necessary to reestablish the economic balance among the lowest paid sectors which have been the most trampled on during these 12 years.

[Gonzales] But will the right wing think the same way Ricardo Lagos does, considering that it too has a few interests at stake in this matter?

[Lagos] I believe that members of the right, generally speaking, are currently operating the way they have always done in Chile, protecting their own interests. They believe that they have the formula for the transition to democracy. They feel that they have the decisive 20 percent of the constituency and they use this lever to say: Once there is democracy, we want to make sure that the capitalist system will survive. I tell them no, the capitalist system will survive only if you are capable of convincing the majority of the people, but I too want to have the option to advocate socialism through my own proposal. However, this is not up for discussion at this point. The main target is the socioeconomic structure that the dictatorship has devised. Five economic conglomerates are responsible for 80 percent of the private foreign debt that Chile has, so how can it be possible that now, all of a sudden, by magic, their debt has become public debt. Do you know how an economic conglomerate that owes $150 million renegotiates its debt? I will tell you: 30 percent in UFs [unit of account adjusted for inflation], plus another 5 percent payable in 10 years, and the remaining 70 percent is frozen and left for renegotiation after 10 years. [figures as published] All this must be reviewed because there is an ethical problem involved that has nothing to do with socialism or capitalism.

[Gonzalez] And will the right agree to this review?

[Lagos] The point is that if they do not agree, it will mean that it is willing to accept certain actions that I will not call illegal because someone will come out and say that none of the laws of the current regime have been violated, but at least they are not in keeping with the moral standards that must prevail in public affairs.

[Gonzalez] The Armed Forces are also included in the transition process. What is their role on the way to democracy?

[Lagos] I trust that we will be able to seek a political solution with the Armed Forces on the transition to democracy. However, they must understand that as long as they remain connected to this personal dictatorship, which has the sole objective of complying with the terms of the constitution that enable the captain general to die in power, they will, in a certain way that will be imperceptible at first, throw their hand in with the captain general. There is still time for the Armed Forces to seek a solution with the civilians to the crisis.

However, there are things that cannot be omitted: like what has happened in the last 12 years in the field of human rights. As part of the process of transition and social justice, it is necessary to have justice in the field of human rights. And when speaking of justice I mean that pardons may be granted in the future; however, I agree with the Catholic Church, which says that in order to pardon, the truth must first be known. Once it is established who committed the crime and how it was committed, it will be possible to pardon or sentence. What we must not allow is for people to forget what has happened.

[Gonzalez] Couldn't this be what is delaying the dialogue for transition? Couldn't the Armed Forces be thinking of what happened in Argentina for example?

[Lagos] Maybe it is delaying it but I think not. During a debate on this subject, a lawyer -- who is not a socialist -- said that if the subject of human rights of all things delays the transition .. well, the delay would be welcomed. It would be worse if this subject were not discussed with seriousness and respect because in the future it may unleash some sort of blind revenge for what happened. There is no room for revenge, but in order to have justice the truth must be known.

[Gonzalez] Then, there can be no starting from scratch?

[Lagos] That would be impossible because this country has been deeply hurt. There are studies that tell us about thousands of people tortured or missing, hundreds of thousands that have endured arbitrary arrests and the shantytown dwellers who are living in fear of the next "inspection visit." These outraged people must feel not that they have been avenged, because the Chilean people are more generous than that, but that truth and justice have prevailed.

[Gonzalez] Do you believe that the Armed Forces are already thinking about how they will face this calm and unbiased trial?

[Lagos] I believe so because there were people responsible for the outrages committed, and the truth is beginning to surface... fearfully at first, but it will eventually be obvious who gave the orders and who is responsible. This is not a matter of putting the institution in the dock. Someone is bound to say that it is not politically correct to say all this, but I believe that it is equally incorrect to hide it because everyone is aware of this issue, including the Armed Forces.

[Gonzalez] This week will be decisive for the AD as far as deciding on how to handle the social mobilization. Has some agreement been reached or are you still going through preliminary talks?

[Lagos] As far as the parties of the AD are concerned, everything is all clear. Even if there had been some doubts concerning the choice between negotiation and mobilization, the captain general has made the decision easy. Mobilization is the only thing left to be done against Pinochet and it must be accomplished through a clear-cut proposal for the country. We believe that it is important to seek not only an agreement with other political conglomerates like the MDP [Popular Democratic Movement], but also with other social groups such as professional associations, labor unions, tradesmen and the many other social institutions that have cropped up during this period. The strike is the only, and I also believe the final, step that will make the Armed Forces understand that the time for a political solution has come. But this is all very complex because in order to ask the people to behave in a heroic manner we must provide them with a clear-cut purpose: the end of the status quo and the building of the future.

[Gonzalez] Is this complexity to blame for the delay in answering the MDP?

[Lagos] The answer to the MDP is something else again. The AD is a political conglomerate that must channel political opinions of political groups. The MDP is a political group and so is the MUN [National Unity Movement]. I am not asking the MUN to give up the 1980 Constitution in order to start talking. We must talk with them just as we must talk with the Communist Party, which is also a political group. There are bound to be disagreements because if there had not been, the PC would have been part of the AD. However, I cannot accept that any given conglomerate should be willing to hold talks with the right but not with the left because that would mean ignoring political performance. We must begin practicing democracy even though Pinochet has not granted it to the country ...or, better still, even before we wrestle it away from him.

Are we going to use Pinochet's answers for our conglomerate? Are we going to say that we shall not hold talks with the National Accord because it does not recognize my constitution, does not state its position toward Marxism, and God knows what else? Are we going to do the same to the Communists? We are not going to talk with them as long as they fail to do this, that, or the other thing. Please... it seems to me that this amounts to following Pinochet's example.

[Gonzalez] Then the subject to be discussed with the MDP is far simpler?

[Lagos] I see it as much simpler. The thing is to try to establish permanent channels of communication, as in any other political system. To do the opposite would be the same as to say: I exclude you from everything, even from the talks. And this latter point is not in keeping with the AD, which maintains that within a democratic system no one should be excluded for his beliefs.

[Gonzalez] By the time this interview is published, Senator Kennedy will already have completed his brief visit to Chile. This has caused new disagreements among the opposition, like the MUN, which has declared him persona non grata. What meaning does Kennedy's visit have for the Socialists?

[Lagos] Senator Kennedy is a U.S. political personality who, within the capitalist concept that he wishes to preserve, has been very positive in defending human rights. In this sense, we believe him to be a very respectable figure who represents the rich, pluralistic U.S. system. However, here, with our parochial system, we tend to see everything either in black or white. The United States has many aspects. It had racial segregation, but it also had a Martin Luther King to fight it. It maintains a policy of support for many dictatorships because it believes that it is the best way to fight communism, but it also has many organizations which believe that dictators like Somoza or the Shah of Iran should not be given support, and so they struggle against them despite the government policy. Within this many-sided richness, Senator Kennedy plays an important role and it is therefore important that he become aware of our state of human rights.

EXECUTIVE BRANCH REMAINS NEUTRAL ON PL-UP ALLIANCE

PA281712 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 Jan 86

[Text] Bogota -- The government does not criticize or promote pacts between the Liberal Party [PL] and the Patriotic Union [UP], the unarmed branch of Revolutionary Armed Forces of Columbia [FARC], but does provide all necessary guarantees as long as they stay within the law. This statement was made today for CARACOL by Government Minister Jaime Castro when he was queried on the executive branch's position on this type of electoral alliance. Alliances are an antidote for sectarianism and enhance the nation's political life, said Jaime Castro. Everything that leads to greater participation by the people enhances the legitimacy of the democratic system, and we provide guarantees for all these alliances and extend to them all the rights that the law provides, added the minister.

He pointed out that he did not know whether it was due to the alliances, but there has been a considerable increase in the registry of identity cards for both forthcoming elections. He said that the increase is 70 to 75 percent compared to the years 1984 and 1982. He added that there are new factors that motivate greater electoral participation, such as improved institutional mechanisms enacted by the last congress, a climate of thawing of political tensions, and increased proselytism. The coming elections will be a referendum between the democratic and subversive forces with a much larger voter participation than in previous years, said Castro.

When asked about alliances between traditional political organizations and the Patriotic Union, the government minister said that the government neither promotes nor criticizes pacts with the Patriotic Union, but we give them every guarantee if they stay within the law, because they are the reflection of Colombia's political wealth.

CASTRO: REBELS IN 'TROUBLE,' ORDER IMPROVED

PA282028 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 Jan 86

[Text] Bogota -- Government Minister Jaime Castro has said that the Colombian guerrillas have entered a phase of making greater errors, which shows that they are coming apart. He added that today the public order situation is much better than 3-4 months ago.

Minister Castro told CARACOL that the government has reports of an alliance of regional subversive forces, which is an indication that the Colombian guerrillas are having so much trouble recruiting national fighters that they must seek them abroad. If they have been unsuccessful with nationalist banners, much less will they achieve (?anything) with foreigners, Jaime Castro stressed.

He added that the government has no official knowledge of an alliance between the 19 April Movement [M-19] and subversive forces in Peru, Ecuador, Venezuela, and Central America, who have reportedly created the so-called America Battalion.

However, we have heard of this alliance, Minister Castro said, adding that this shows that the Colombian guerrillas, who were reluctant to join the peace process, have fallen into a process of blunders; that they have entered a path of greater mistakes, which reflects their disintegration.

Minister Castro said that after touring several of the country's departments, accompanied by the National Civil Registrar, the government has seen two phenomena: public order in the country is better than 3-4 months ago, with the exception of Cauca Department and there is an atmosphere of understanding between the various political forces, which strengthens the electoral process.

In conclusion, he said that, undoubtedly, the March and May elections will be a plebiscite between the democratic and subversive forces, after which the first will emerge stronger.

SHELL SUSPENDS ACTIVITIES DUE TO REBEL THREAT

PA281856 Madrid EFE in Spanish 1225 GMT 28 Jan 86

[Text] Bucaramanga, 27 Jan (EFE) -- "Shell" (Royal Dutch), the petroleum multinational that explores and exploits crude oil in central Colombia, has decided, effective today, to suspend operations "indefinitely," following threats from a guerrilla group.

Shell executives stated here that after the constant pressure of extortion from the 24th Front of the Revolutionary Armed Forces of Colombia (FARC), which operates in the Yondo rural area, they have decided to suspend activities completely.

In a communique sent to Radio Cadena Nacional (RCN) signed by Commander "Tomas," the 24th Front of FARC repeated its threats to Shell and protested the military presence in the area.

FARC demanded 100 million pesos (approximately $750,000) that corresponds to, according to "Tomas," "the tranquillity that is no longer present to work in the area."

"Tomas" threatens that "beginning today, the incursions will stop when the money is received and the military units are withdrawn" from the Shell operations area.

In view of the firm's reports, the military authorities sent patrols of Barrancabermeja's "Nueva Granada" Battalion in order to protect the company and its workers.

However, there was a clash between military patrols and FARC guerrillas in the past few hours. Evelio Rangel Diaz, a noncommissioned officer, was killed and three soldiers were wounded in the action. No victims were reported in the guerrilla ranks.

Yondo Mayor Francisco Javier Loaiza did not comment on the withdrawal of the Shell workers and noted that he has no information in that regard. However, he admitted that there is a FARC presence in his jurisdiction's rural region.

PRESIDENT ANNOUNCES PLEBISCITE FOR JUNE ELECTIONS

PA281615 Quito Domestic Service in Spanish 0040 GMT 28 Jan 86

[Speech by President Leon Febres Cordero; place not given -- live or recorded]

[Text] Ecuadoreans: I can assure you that these past few months have been times of work and achievement for your benefit, for your present and future, and for the national reconstruction we pledged to carry out. With help from the Lord and from you, we are succeeding.

I want to sincerely thank you for your constant support. I felt it when I took your message to the most developed country in the world and when we told the world, with dignity and honesty, how we have fulfilled our promises to our people and how we have managed to restore the health of our nation's economy, which we found totally destroyed.

We were pleased to see the world's top economic experts endorse and hail our economic and social policies. The democratic stance, respect for human rights, absolute adherence to the Constitution and the laws, and restoration of the principle of authority by he who, because of your mandate, enjoys the enormous privilege of being your president, were acknowledged in other parts of the world.

I am now back in the country and ready to resume the challenge of demonstrating how, with freedom and without hate, one can achieve greater well-being for a larger number of Ecuadoreans.

Counting on your support, I will raise issues tonight that will make it possible to clarify once and for all the position of the executive branch with regard to the constant lying by the opposition and the confusion created by those who seek to cast doubts on the honest actions of those of us who have demonstrated with deeds that we love democracy and defend the Constitution. The respect we have demonstrated by [word indistinct] the Constitution is not less than the energy we have displayed in making those who have constantly tried to destabilize the government abide by it.

Compatriots, it is for this reason that I wish to begin by stating that the central government, that your president, will take every necessary step to enforce, without changes, the legal provision that calls for elections to be held in June 1986. We will not accept subterfuges of any kind and will not take any steps backward that may be used as a pretext to change the nation's overwhelming will. To respect the Ecuadoran people's sovereign right to exercise the right to vote is and will always be of vital importance to my government.

It is not fair that while the Ecuadoran people and their constitutional president are working untiringly to consolidate the democratic system, the opposition should go on with its destabilization efforts every day. These are the same Ecuadoreans who perpetrated the fraud in the elections of 6 May 1984. They are the ones who tried to violate the rights of the Ecuadoran people. With the usual subterfuges, they are maneuvering to prevent the elections for provincial deputies from being held in June. It will not escape the notice of the country that those who lost the 6 May election are attempting to obstruct the holding of free elections to which all Ecuadoreans, without exception, are entitled, because they did not draft the law to reform the civil registry law extending the time of voting so that all citizens could exercise their right to vote; because they handcuffed the Supreme Electoral Tribunal, which is the institution responsible for directing the electoral process; and because they attempted to interpret arbitrarily Article 143 of the Constitution, which establishes the proper procedures to reform the Constitution.

I also want to make known my firm determination to make use of the constitutional provision that empowers me to submit to popular vote those matters that my judgement indicates are of utmost importance to the Ecuadoran state. The people's reply -- your voice -- will guide those in whose hands rests a constitutional reform that will acknowledge the right to be elected without restriction of more than 70 percent of independent Ecuadorans, who cannot accept their lawful constitutional rights' continuing to be suppressed.

I bid the enemies of the popular vote, those who tremble in fear of the possibility that the people will express their will freely at the polls to support a valid thesis, to use their freedoms and rights to practice democratic opposition by confronting the people directly, by confronting the president's thesis, the thesis of the independents. The people -- you, fellow countrymen -- will have the last word. It is the people who are invoked when selfish interests are pursued, the people who instill fear when they demand to be listened to and demand that their sovereign will be respected: Those people will express their will. Lawmakers will know where they stand after that. I assure you there will be two groups: a gigantic one that respects the people's will and an insignificant one that attempts to ignore it. We will obtain the people's sacred decision. That decision will be the guide by which we will adapt our Constitution and actions to the people's sovereign word.

I must seize this opportunity to put in their place a small group of men who were defeated in the past election and who from their shelters in respectable institutions, including the Court of Constitutional Guarantees, breach faith with their positions to attack angrily and virulently the constitutional reforms that the executive branch has proposed. The same applies to certain legislators who publicly boast about possessing an organized opposition to the government when they speak with the press or during political events, while inside the parliament they fight right and left to prevent the holding of elections in June.

I have with me the bill to reform the Constitution that was submitted to the National Congress. Its first clause states: The incumbent provincial deputies will continue to serve in their positions until 10 August 1988. Who signed this bill? The Democratic Left [ID] and the Revolutionary Party of Ecuadoran Educators [PREE] represented by ID Deputy Carlos Avila of El Canar; Hector Santillan, ID deputy of El Nato; Enrique Carpio, ID deputy of (El Ajuai), Giorgio Garcia, ID deputy of Loja; Virgilio Chapicela, ID deputy of El Canar, Jacinto Pocho, ID deputy of Carchi; Sergio Plaza, ID deputy of Manavi; Jorge Baldoquino, ID deputy of Imabura; Nelson Ortiz, ID deputy of Esmeraldas; Alejandro Zepeda, ID deputy of Cotopaxi; Victor Hugo Cordova, ID deputy of Chimborazo; Luis Cervantes, ID deputy of Imabura; Enrique Delgado, ID deputy of Manavi; Fausto Perez, PREE Deputy of Guayas, and Roberto Dunn Barrero, PREE deputy of Guayas.

Who, then, Ecuadorans, is attempting to boycott the June 1986 elections? The president of the Republic, who has pledged that they will be held? The ID [words indistinct] incumbent deputies extend their periods until 1988? [words indistinct] deaf and blind who refuse to hear and see reality and are attempting to [words indistinct] that we are attempting to prevent the holding of the June deputy elections by calling a plebiscite, I emphatically say: No! The president is not trying to do that. To prove once and for all and with deeds that this is not so, I announce to the Ecuadoran people that on the same day, 10 June, that the deputy elections will be held, and as one single event that will not disturb the people's day of rest or work, the Ecuadoran people will express their will regarding this sensitive issue of the independents' right to run for office without restrictions at the same time that they will choose their representatives, the deputies of the new national congress.

The plebiscite will not be held earlier because I believe that there is not sufficient time for the necessary preparations to be made and because the financial burden of two elections would not be congruent with the country's financial situation.

A new special session of congress has been convoked. During that session our legislature must be cautious and responsible, as it has been since -- fortunately for Ecuador -- the so-called progressive majority in congress lost its prevalence. This way Ecuadoran democracy, your peace, and everyone's well-being will continue to be preserved. Thank you and good evening.

BRIEFS

CRUDE OIL PRODUCTION -- Acting Ecuadoran Energy and Mines Minister Fernando Santos announced that crude oil production in 1986 will amount to 303,850 barrels daily, but will increase to 314,611 barrels in 1987. He added that by 1988, Ecuador plans to exploit 4 million hectares through 15 contracts, and that Ecuador strives to duplicate the reserves to reach 2 billion barrels and maintain a balance for export purposes of no less than 50 percent of the national production. Official statistics disclosed that by December 1985, Ecuador had reached the production of 303,850 barrels daily. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 15 Jan 86 PA]

OIL DRILLING PLANS -- The Ecuadoran State Petroleum Corporation, CEPE, has plans to drill 100 wells between now and 1989. The drilling will be done with equipment with the capability of drilling up to 12,000 feet and other equipment for drilling up to 6,000 feet [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 13 Jan 86 PA]

NEW PUBLICATION -- A new magazine called ECUADOR NUMERO DOS, published every 3 months by the Industries, Commerce, Integration, and Fisheries Ministry in Spanish and English, is circulating mostly abroad through the embassies, consulates, and commercial missions, as well as the local Chambers of Production and Commerce and embassies accredited in Ecuador. [Summary] [Quito Voz de Los Andes in Spanish 2331 GMT 15 Jan 86 PA]

BRAZILIAN FOREIGN MINISTER SETUBAL ARRIVES

PY282210 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 28 Jan 86

[Text] Brazilian Foreign Minister Olavo Setubal was received this morning at the international airport by his Paraguayan counterpart J. Augusto Saldivar, government officials, and members of the Brazilian diplomatic mission in Paraguay. Minister Setubal gave a press conference at the airport. This is what he said:

[Begin recording] [Setubal] The diplomatic, political, cultural, and economic relations between Brazil and Paraguay are very important to us, as I believe they are to Paraguay. The purpose of this visit is to strengthen these ties even further.

Specifically, I can tell you that the Itaipu Treaty provided that some of its clauses could be amended 10 years after it was signed. Therefore, we negotiated and agreed to sign some documents that will be instrumental in making this extraordinary project operate normally and thus serve the interests of Paraguay and Brazil alike, since both countries are today largely dependent on the electricity supplied by the Itaipu dam.

[Unidentified reporter] Will the Itaipu binational enterprise directors as well as Minister Saldivar discuss the price of electricity?

[Setubal] Of course, one of the documents is about prices, the gold clause, including all the factors that influence the plant operation.

[Reporter] Will the restructuring of the Itaipu binational enterprise be discussed?

[Setubal] An agreement about this will also be signed. We will sign five documents in all. [end recording]

MINISTER CALLS FOR BROAD OIL PRICE AGREEMENT

FL281648 Mexico City NOTIMEX in Spanish 1505 GMT 28 Jan 86

[By Epigmenio Ibarra]

[Text] Tegucigalpa, Jan 28 (NOTIMEX) -- Petroleum exporting countries cannot, in the present situation, stand by with their arms folded, Secretary of Energy, Mines, and Parastatal Energy Francisco Labastida Ochoa has said here.

The official said it is indispensable for [petroleum] exporters and importers to reach agreement on production to make it possible to determine a new level of prices that will be compatible with the present world economic situation.

Labastida Ochoa, who headed the Mexican delegation to the inauguration of Honduran President Jose Azcona, said that to achieve equilibrium on the oil market, OPEC members and nonmembers must work together. It is necessary to hold dialogue, examine the problem, and reach agreements that lead to a new market level, which obviously will be good for all of us, he said.

The official said he was satisfied with this recent visit to Caracas, where he was received by President Jaime Lusinchi and held a series of meetings with Venezuelan Energy Minister Arturo Hernandez Grisanti. He described the coming meeting of Mexican and Venezuelan Presidents Miguel de la Madrid and Jaime Lusinchi as the result of the struggle of both presidents to defend national interests. He said the goal of the meeting in Mexico will be to study the crisis that is so dramatically affecting our economies, and take concrete measures leading to a reasonable solution.

The official said the oil market crisis is the result of a drop in prices to low levels that had not been seen in 6 or 7 years. Labastida said the crisis was caused by the fact that in a situation in which demand was dropping by 6 or 7 million barrels worldwide, certain industrialized countries persisted in producing and exporting more petroleum since 1981, affecting the exports of other countries and weakening the market.

Faced with this situation, the official said, we have said that it is necessary to arrive at an agreement on production to find a new level of prices that will be compatible with the world economic situation and satisfactory for the exporting countries. I am convinced the length of the crisis, the loss of income, the degree to which our interests and our standard of living will be affected will to some degree be determined by our actions and decisions, he said.

Labastida Ochoa favored the industrialized countries' taking the responsibility, given the present situation of the oil market. This process of active defense, he said, included the interviews in Caracas that culminated in the concertation of the meeting of the Mexican and Venezuelan presidents, and the maintaining of contacts with Algeria and Kuwait within OPEC and with nonmembers such as Great Britain, Denmark, and Ecuador.

OIL PURCHASE, SALE AGREEMENT SIGNED WITH JAPAN

FL282226 Mexico City NOTIMEX in Spanish 2110 GMT 28 Jan 86

[Excerpt] Mexico City, 28 Jan (NOTIMEX) -- Mexico and Japan signed a new agreement for the purchase and sale of oil which will allow Mexico to export an additional 20,000 barrels of crude to Japan daily.

The respective documents were signed in the presence of Mexican President Miguel de la Madrid by the Pemex director Mario Ramon Beteta and the Mexican petroleum import president Tokio Nagayama.

Previously, the purchase-sale contracts had established a volume of 160,000 barrels a day of Mexican oil to Japan. Today, the amount was increased to 180 [thousand barrels] a day.

USSR EXPRESSES INTEREST IN INDUSTRIAL COOPERATION

PA281839 Mexico City EL NACIONAL in Spanish 25 Jan 86 p 3

[Report by Jose Antonio Aicauter]

[Text] The Soviet Union is interested in economic and technological participation in several Mexican projects in the areas of heavy industry, telecommunications, transportation, and other priority areas.

Soviet Ambassador Rostislav Sergeyev told the above to this newspaper. He added that at this point talks are under way with the Mexican authorities that have expressed an interest.

The diplomat explained that although all negotiations are currently in the preliminary phase, it might be possible to talk about something more specific later this year.

POLICE CONFISCATE 689 KG OF 'PURE COCAINE'

PA281910 Paris AFP in Spanish 1428 GMT 28 Jan 86

[Text] Mexico City, 28 Jan (AFP) -- Narcotics smugglers left almost 700 kg of pure cocaine behind on a Mexican farm after the twin engine plane they were travelling in malfunctioned, the Attorney General's Office [Procuraduria de Justicia] has reported here, adding that the drug was later confiscated by the police.

The Colombian-registered aircraft staged an emergency landing Sunday night on a farm near the city of Tampico — 600 km northeast of the capital -- after which, eyewitnesses reported, its two occupants hid several suitcases in the bushes surrounding the area.

The owners of the farm notified the police of the development, and they arrived on Monday to discover 18 suitcases containing a total of 698 kg of pure cocaine worth approximately $45 million on the black market, the largest amount of drugs ever seized in Mexico and one of the largest in the history of international drug trafficking.

The police continue to investigate the case in an attempt to track down the pilots of the plane, whom they suspect are still in Mexico.

U.S. CONGRESSMEN RECEIVE TREATY VIOLATION REPORT

PA281838 Panama City Televisora Nacional in Spanish 0000 GMT 28 Jan 86

[Text] Members of the Panamanian Legislative Assembly and the U.S. Congress met at the Justo Arosemena Legislative Palace today. The Panamanian legislators -- members of the legislature's Canal and Foreign Affairs Committees -- handed a report to the U.S. congressmen detailing U.S. violations to the Torrijos-Carter Treaties.

Legislator Luis Gomez discussed the need to reform Law 96-70 passed by the U.S. Congress in order to prevent the emergence of problems in U.S.-Panamanian relations. U.S. Representative Michael Lowry said that the report submitted by the Panamanian legislators will be examined.

PRESIDENT, PUBLIC EMPLOYEE UNION REACH AGREEMENT

PA230408 Panama City Televisora Nacional in Spanish 0000 GMT 23 Jan 86

[Text] It has been reported a few minutes ago that the dialogue between the government and National Federation of Associations and Organizations of Public Employees [Fenasep] leaders late this afternoon has been positive, leading to the final resolution of the problem. The meeting of President Eric Delvalle and Fenasep has just concluded. The organization has announced that it will lift the strike in 24 of the 25 government agencies that had stopped working. As the result of this accord, a commission of Fenasep and government representatives will be formed tonight and will begin work at 2030 to continue discussing the problem and to resolve it in everyone's best interests.

The government representatives at the commission will be Luis Blanco, Luis Navas, Campo Elias Munoz, and Ramon Segistan, vice minister of the presidency.

BRIEFS

DRUG SMUGGLERS ARRESTED -- Two Colombians, Pedro Antonio Molina and Angelica Meneses, were arrested by special narcotics forces on Saturday when they tried to bring 600 grams of cocaine into our country. The South Americans arrived at Tocumen Airport on an Air Panama flight. They had placed the drug in little plastic bags, which they placed in Angelica's shoes. The drug was discovered because of the peculiar way in which Angelica was walking. [Summary] [Panama City EXTRA in Spanish 14 Jan 86 p 2 PA]

EL SALVADOR

REACTION TO DUARTE AUSTERITY MEASURES CONTINUES

Blandon: Army Supports Measures

PA281702 Hamburg DPA in Spanish 1524 GMT 28 Jan 86

[Text] San Salvador, 28 Jan (DPA) -- General Adolfo Blandon, chairman of the joint chiefs of staff of El Salvador's Armed Forces, has told DPA that the Salvadoran Army supports Duarte's government and that the Armed Forces were informed in advance about the economic reforms that were to be decreed.

Blandon said, among other things: "I am not a technocrat. I am not an economist, but I understand that in making a decision such as the one which is now opposed, the government made pertinent studies."

He then added that what must be understood now is that the Salvadoran Armed Forces -- in the wake of the military conflict -- have increased the number of troops four-fold, and this involves extraordinary expenditures. "Our troops need to earn a salary and to eat, and many other demands posed by the situation must be met. This is the cost of war," the military officer stressed. Blandon was asked about this matter in the wake of doubts expressed by conservative sectors that perhaps the Army was not in agreement.

In addition, Blandon denied that certain commanders disagree with the so-called "economic package." Such rumors have circulated in the past few days. "I repeat that we have our constitutional duty, and the government has its functions. As an institution, the Armed Forces have not raised any objections," Blandon said, denying that Colonel Sigifredo Ochoa Perez had been summoned to the General Staff to be reprimanded for his alleged disagreement with the measures. Blandon also denied that Ochoa asked to be dismissed as commander of the important 4th Brigade of El Paraiso, with headquarters in Chalatenango Department, one of the departments the guerrillas have hit hardest.

ARENA Head Criticizes Measures

PA281947 San Salvador DIARIO LATINO in Spanish 25 Jan 86 pp 3, 15

[Text] President Duarte is showing symptoms of fear in response to the pressure he is receiving from the ranks of the opposition as a result of his poor economic policy, it was said yesterday during a news conference by the Nationalist Republican Alliance, ARENA, party.

ARENA President Alfredo Cristiani said his party is not attempting and will never attempt to destabilize the democratic process, although it will criticize every mistake that the government makes. Cristiani stated: The president does everything wrong. He is disappointing the people who voted for him in the belief that he would improve things.

According to ARENA's president, Duarte is making a number of mistakes, some of which may turn out to be constitutional violations. ARENA is defending democracy by ensuring that the Constitution is respected, Cristiani explained. Duarte's image as president is shabby. This detracts prestige from the office, which is the country's highest.

Duarte is playing the role of city cop with those inspection tours he conducts in markets, supermarkets, and other businesses to make sure the price control measures are being properly observed. That kind of behavior harms the image of any leader.

ARENA's current leader said Duarte is putting on a tasteless political show in an attempt to bolster his image. However, the people realize it is all demagoguery, that he is lying. Duarte looks worried because time is going by and he has not done anything for the people yet. That is why he now claims to be working on behalf of the poor.

With regard to the economic package, Cristiani said that Duarte met with various interest groups to brief them on the measures, but that they were neither consulted on the measures nor allowed to express opinions on them. That is why ARENA did not participate in those meetings. No statement criticizing the so-called "packaged swindle" would have been taken into consideration, he said.

D'Aubuisson Attacks Package

PA280415 San Salvador DIARIO DE HOY in Spanish 25 Jan 86 p 42

[Text] By midyear the official rate will be 8 colones per dollar and by the end of the year it will be 10 to 1, Major Roberto D'Aubuisson said last night during a televised program in which he referred to President Jose Napoleon Duarte's economic measures.

D'Aubuisson said that Nationalist Republican Alliance [ARENA] congressmen will not support any motion that seeks to make the free exchange of dollars a crime. D'Aubuisson criticized Duarte for picking on the 600 families who are in the currency exchange business. Since there are no other jobs, they must do this to be able to take care of their children, D'Aubuisson pointed out. D'Aubuisson said that if President Duarte wants to know something about dollars, he should consult his son Alejandro.

According to D'Aubuisson, Duarte no longer has any authority because every Salvadoran, including those around him, have rejected his economic measures. The subversives could take advantage of such a delicate situation, he added. For this reason we must implement a constructive political campaign in which Salvadorans will assume responsibility for ousting Duarte from power in the next elections, D'Aubuisson said. He also referred to the organization of a broad opposition fron with the participation of independent trade unions, the country's productive sectors, the conservative parties, and all of the country's active forces.

D'Aubuisson considered some of the economic measures good; but, as a whole, he felt the economic package will be a complete failure.

He also said that not all of the cabinet members are incompetent. However, some of them are, he added.

D'Aubuisson also mentioned the fact that it was Waldo Chavez Velasco who led the slander campaign against Duarte in 1972 and now, believe it or not, he added, Duarte has hired Chavez Velasco to run his millionaire campaign because neither Rey Prendes nor Roberto Viera can do the job.

D'Aubuisson displayed a document to prove that it was Duarte and his team who spread the rumor that the price of gasoline would be more than 14 colones so that later they could tell the people it would only cost 9.70 colones.

It was a way to deceive the people, he said. Regarding the family food supply, D'Aubuisson said it is not right because prices are going to go up. For instance, the price of beans will not go up at this time because we are still selling last year's crop, but nothing was said about this year's crop.

FMLN DECREES TRANSPORTATION STOPPAGE FOR 31 JAN

PA290402 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jan 86

[Text] Attention, attention to the following information: The FMLN has decreed a new transportation stoppage on all the country's highways for 31 January. This is our reply to the economic measures with which Duarteism is trying to make the people pay for the war against the people. We repeat, the FMLN will enforce a new transportation stoppage on the country's highways on 31 January. We urge all our guerrilla units to strictly enforce this FMLN order for a transportation stoppage on all our highways.

FMLN EXPRESSES 'HAPPINESS' AT CHALLENGER LOSS

PA290331 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jan 86

[Text] The U.S. space shuttle Challenger exploded on Tuesday morning, 1 minute and 47 seconds after it had taken off from Cape Canaveral, Florida, and the seven astronauts on board the space shuttle were killed.

The U.S. failure in the space shuttle project, marked by the Challenger's accident, represents an overwhelming blow to the so-called "star wars" program. The United States wanted to use outer space for military purposes through this program. Reagan has announced that all the flights to outer space have been suspended. In addition, two members of the Challenger's crew worked as pilots in the Vietnam war; in other words, they were two killers who sowed napalm in the martyrized Vietnamese land. Given that the Challenger's ostentatious failure represents an overwhelming blow to the U.S. Government's plans to extend the war to outer space, and given that two war criminals have died aboard the Challenger, we share the happiness felt by those who reject and condemn the U.S. imperialism's warmongering policy.

ARMY ARRESTS 118 GUAZAPA AREA 'REBEL SUPPORTERS'

PA281431 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Jan 86

[News bulletin issued by the Salvadoran Armed Forces Press Committee, Coprefa, in San Salvador; read by unidentified Coprefa spokesman -- live or recorded]

[Text] Nine rebels were killed, weapons were seized, and two members of the Armed Forces were wounded during heavy clashes between troops of San Salvador's 1st Infantry Brigade and FMLN terrorists in El Izcanal hamlet, Suchitoto jurisdiction. One M-16 rifle, and two AR-15 rifles, and one M-60 machinegun were seized. Armed Forces Lieutenant Rodolfo Sanchez Xamatey and Military Cadet Artemio Arevalo Gaviria were wounded in the action.

Units of the same brigade arrested 118 rebels supporters, 73 in Mirandilla canton and 45 others in (Los Sanchez) canton and (El Candelero) River in Suchitoto jurisdiction. The actions were part of the "Phoenix" Operation currently underway on Guazapa Hill.

In other developments, troops of the 5th Infantry Brigade of San Vicente ambushed a rebel column of the People's Liberation Forces, FPL, in Los Laureles canton, San Sebastian jurisdiction, in this department. Three rebels were killed in this action, including Simon, an FPL political commander, while two M-16 rifles, military supplies, and rebel papers were seized.

Meanwhile, a rebel was killed during a clash against the 3d Infantry Brigade of San Miguel near El Chacho Hill, Sesori jurisdiction, in this department.

Peace, our goal.

'MYSTERIOUS' MILITARY AIRCRAFT CRASHES IN LA PAZ

Probably Flying Clandestinely

PA281503 San Salvador Canal Doce Television in Spanish 1900 GMT 27 Jan 86

[Text] An unidentified military plane was totally destroyed Friday when it crashed in El Zapote canton, La Paz Department. There are no major details available on this mysterious development. Part of the plane's remains fell on the El Paraiso Farm in Jaltepeque Lagoon. The owner of this private farm is keeping some of the airplane's remains in her San Salvador home. These fragments identify the craft's registration number as TAQ37505. Armed Forces personnel identified the plane as a (model 707-300 A craft.)

Isabel Maria de Lopez, owner of the farm where parts of the plane fell, indicated that the plane gradually came apart while in the air, leaving a dark column of smoke in its path. A part of the fuselage, approximately 6 meters long, also fell on her property. Mrs Lopez said Air Force personnel told her the aircraft is not registered in El Salvador and that an investigation into the case has been opened.

The plane appears to have entered Salvadoran territory clandestinely. It is not known how many people were aboard the plane or the fate they may have met.

Possible Supplier of Contras

PA282008 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Jan 86

[Excerpt] A mysterious plane with a 90-passenger capacity or a similar weight in cargo exploded in the air, and its debris scattered around El Zapote canton, La Paz Department. Roxanna Lemus reports:

[Begin recording] An unidentified cargo plane disintegrated in the air while flying over the area near Jaltepeque, according to residents in the area. The mysterious plane, which based on its characteristics must have been a Boeing 707 with a capacity of 90 passengers or an equal weight in cargo, exploded in the air last Thursday, scattering its debris over a wide area in Jaltepeque. Area residents said that the plane initially left a column of black smoke behind, then they heard a blast as the aircraft exploded into many pieces.

Thus far there is no knowledge of any fatal victims as a result of this mysterious incident. After the explosion, townspeople searched the area for possible victims, but have found no human remains so far.

Both Civil Aeronautics and the Air Force have said that they have no knowledge of the aircraft's origin or destination. However, according to witnesses, the plane could have been carrying supplies for groups opposing the Sandinist regime.

Part of the plane fell on a farm owned by the Lopez-Rivera family, who decided to bring to San Salvador the aircraft parts showing its model and type, identifying it as a Boeing 707. This afternoon, members of the Air Force, supported by the National Navy, were searching for more fragments that could help clarify the mystery surrounding this incident. Later, Air Force helicopters transferred the aircraft fragments to this capital for inspection. [end recording]

HONDURAS

AZCONA MEETS BUSH, SEEKS AID WITHOUT CONDITIONS

PA281756 Panama City ACAN in Spanish 1652 GMT 28 Jan 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 28 Jan (ACAN-EFE) -- President Jose Azcona Hoyo said today that Honduras needs urgent financial aid but will not accept it "if it is granted under conditions of sacrifice for the people, to the detriment of national sovereignty, or subject to costly commitments."

Azcona, 59, met yesterday with U.S. Vice President George Bush, who headed the U.S. delegation to the new Honduran president's inauguration. "We discussed general topics in our meeting with Bush, and we reiterated what we had said in the inaugural speech: that we hope to strengthen our friendship with the United States, that we appreciate the financial and military aid and assistance they give us, and that we hope that our relations will be based on mutual respect, without our sovereignty being harmed," Azcona said.

Azcona added that he did not discuss with Bush the subject of the funds for Honduras that have been frozen by some international financial institutions "upon U.S. instructions." Included in the frozen funds that had been already approved is a $50 million donation from USAID. The United States has demanded a series of economic conditions prior to delivering the donation, which the Honduran Government claims to have complied with.

However, spokesmen of the economic cabinet have said that the United States expects Honduras to allow the transit through its territory of all U.S. aid for the Nicaraguan "counterrevolutionaries." "My government will not tolerate pressures from any foreign government, as we believe that aid must be given without conditions or pressures, to complement our own development efforts," Azcona stressed.

SUAZO SPEAKS AT AZCONA INAUGURATION CEREMONY

PA281524 Tegucigalpa Voz de Honduras Network in Spanish 1604 GMT 27 Jan 86

[Speech by President Roberto Suazo Cordova at the inauguration of President-elect Jose Simeon Azcona Hoyo at Tiburcio Carias Antino National Stadium in Tegucigalpa -- live]

[Text] President of the National Congress, President of the Supreme Court of Justice, President-elect Jose Azcona, presidential designates, heads of state and government of friendly countries, vice presidents and heads of diplomatic missions and international organizations, Commander in Chief of the Armed Forces, members of the Armed Forces Superior Council, deputies to the National Congress, members of the Supreme Court of Justice, cabinet members, bishops of the Republic, mayor of Tegucigalpa, media representatives, special guests, ladies and gentlemen, Honduran people:

When I assumed the presidency of the Republic, complying with the Honduran people's mandate, I invoked God and asked him to inspire our efforts and initiatives during the 4 years of government. Today, I humbly thank God for the spiritual strength he gave me, for the understanding he inspired in all Hondurans, and for giving me the privilege of delivering the government at the end of my constitutional term [shouts] to a political comrade. It is also my duty at the end of my presidential term to express my deepest gratitude to all my compatriots, without exception: to those who entrusted to me the nation's destiny, to those who responsibly criticized my government's actions, to those who gave the best of themselves in order to successfully face national and international problems, and to those who by placing obstacles in our way redoubled our determination not to be defeated.

I leave the presidency of the Republic without hard feelings toward anyone. [shouts] I leave full of hope, because I know that today Honduras enters a new phase of democratic consolidation and development. You are witnesses of how much effort this required. However, neither the burdens that this responsibility entailed nor the bitter moments while in power will ever tarnish the enormous satisfaction I feel for the opportunity given me to contribute to the necessary and urgent task of democratizing Honduras. I am delivering a country in liberty. [shouts]

I leave with great hopes, because the Honduran people are becoming more aware each day of their civic duties, their political responsibility, and their duty to work for the progress and well-being of all our fellow citizens. I am delivering a country in peace. [shouts] I leave full of hopes, because although the next government will have a difficult task ahead, we have managed to curb the economic and financial problems that ominously threatened our near future. Preventing our economic downfall and stabilizing and reactivating our economy was one of our main concerns. I am delivering an economically restored country. [shouts]

I am leaving full of hope because our national defense -- which is every citizen's duty -- is safeguarded by an armed institution with clear democratic and republican principles, and with professional and technical capabilities. [applause, shouts]

Because effective diplomatic actions have always had a prominent role in the peaceful solution of controversies, I deliver a country that is sure and confident of its own destiny. [applause, shouts]

I regret, however, that the adverse economic and political circumstances during my term did not permit me to do more for Honduras, to tend to all the aspirations, and to fulfill all my promises. Political will is not always consonant with a government's reality.

Nevertheless, I believe that my government has marked the first phase in restoring our country's democracy at this time. We will continue to contribute with our efforts aimed at ridding our country of its social problems and economic woes, in order to meet the general expectations of having a homeland where liberty and justice prevail.

Commander in chief of the Armed Forces, [shouts, whistling] at this historic moment I wish to express my deep gratitude to you and to all the members of our military institution for all the cooperation I received from you. I reiterate my renewed sympathy because the Honduran threshold has remained and continues to remain firm in defense of our government and people's principles and philosophies, as well as our national values, in order to face our future with optimism.

I also express my recognition to the various sectors of Honduran society: the political, economic, and social sectors, the workers and peasants, private enterprise, the Catholic Church, and the media for their support, initiatives, and advice -- amid mishaps and difficulties -- during the period ending today, a period that has also given me great satisfaction.

President-elect, Hondurans and the international community are rejoicing today at this special ceremony in which you will assume the country's presidency. With renewed faith in Honduras' promising future, I express my best wishes for a successful administration. I know that as a citizen of outstanding qualities, you will comply with the Constitution and will honor the memory of our forefathers with your daily work. May God be your guide in the difficult performance of your delicate functions. [shouts, whistling]

Dear compatriots, as I embrace you fraternally in my last presidential act, I do so with the same humility and patriotism with which I addressed you on the day I assumed this high position. As I look back, I do so with pride and with the certainty that I have fulfilled my duty. Thank you. [applause]

NICARAGUA

PROTEST SENT TO COSTA RICA ON HELICOPTER ATTACK

PA290346 Paris AFP in Spanish 0302 GMT 29 Jan 86

[Text] Managua, 28 Jan (AFP) -- The Nicaraguan Government today filed a protest with The Costa Rican Government for an attack last weekend, reportedly from Costa Rican territory, against an Mi-8 helicopter. The attack was reportedly made by anti-Sandinist rebels. According to the official report, the attack by the anti-Sandinists occurred while the Soviet-made aircraft was flying over the Nicaraguan border to supply Sandinist People's Army, EPS, troops. The report added that one of the aircraft windshield panes was damaged, but that none of the crew members was hit.

The protest note said: "Again, the Nicaraguan Government is forced to file a firm and vigorous protest over an attack from Costa Rican territory. This one is to be added to another that occurred on 16 January against two Sandinist Air Force helicopters." The Nicaraguan Foreign Ministry's note reiterated the need for the Costa Rican authorities to reinforce their vigilance on the border with Nicaragua so that "such regrettable events do not occur again."

RAMIREZ ON U.S. 'UNREASONABLENESS,' HONDURAS TIES

FL281752 Mexico City NOTIMEX in Spanish 1532 GMT 28 Jan 86

[by Epigmenio Ibarra, correspondent]

[Excerpts] Tegucigalpa, 28 Jan (NOTIMEX) -- Nicaraguan Vice President Sergio Ramirez has told NOTIMEX that the fact that the United States continues to oppose a peaceful solution to the Central American conflict does not mean that Nicaragua is going to stop pursuing a negotiated solution.

Ramirez Mercado, who headed a delegation from his country to the inauguaration ceremony of the new Honduran President Jose Azcona Hoyo, asserted that the U.S. unreasonableness toward the Contadora Group's express petition made in its Caraballeda message for peace in the region is shown by the Reagan administration, which is now trying to give $100 million to the counterrevolution. He said concrete measures need to be taken. It will be very difficult to negotiate if the United States does not change its aggressive policies and its unwillingness to find peace. He insisted that the next step is to take concrete measures for the Caraballeda countries (Mexico, Venezuela, Colombia, Panama, Argentina, Brazil, Peru, and Uruguay) to meet with U.S. Secretary of State George Shultz to strongly express to the United States the need for a dialogue with Nicaragua and an end to the aggression.

Likewise, Sergio Ramirez announced that one of the missions of this trip is to arrange an open agenda meeting, under the conditions the new Honduran President decides, between President Daniel Ortega and Azcona Hoyo.

Referring again to the dispute with the United States and U.S. Vice President George Bush's position when he says it is not time for talks if no concrete actions are taken, Ramirez said that in effect the United States is taking concrete aggressive actions by requesting $100 million-worth of aid for counterrevolutionary groups.

Ramirez noted: We foresee few possibilities for change and, despite this, we continue our efforts in resuming the dialogue. We are willing to go to Manzanillo, Mexico or any part of the country, or to another country, if they want to and with an open agenda.

On another matter, Ramirez said the defeat of the counterrevolution is causing the possibility of a direct intervention to haunt us again.

About Nicaraguan Monsignor Obando y Bravo, who recently toured the United States denouncing the Sandinist regime, the vice president asserted: the archbishop is working for the State Department and for us. The place of an archbishop is with his people in Nicaragua, and not with lobbyists in Washington.

The Nicaraguan vice president reiterated Nicaragua's willingness to sign nonviolent bilateral agreements with countries of the area based on respect to autonomy, self determination, and nonintervention in domestic matters. Finally, Ramirez said: We believe that besides multilateral agreements, which can be reached through the Caraballeda message or Contadora, it is important to think about settling differences through nonviolent agreements. We wish we could sign this kind of bilateral agreement with Honduras and El Salvador.

DEFENSE MINISTRY BULLETIN ON BATTLES WITH CONTRAS

PA280417 Managua Domestic Service in Spanish 0116 GMT 28 Jan 86

[Bulletin issued by the Defense Ministry's Public and Foreign Relations Directorate in Managua, dated 27 January -- read by Noel Fuentes]

[Text] The Sandinist People's Army's [EPS] permanent troops, in conjunction with Interior Ministry special units, have inflicted 109 casualties on the Somozist counterrevolutionaries.

Among the casualties are: 59 dead, 16 wounded, 32 captured, and 4 who surrendered. This is the result of the recent confrontations between 12 January and 25 January.

Meanwhile, the counterrevolutionary groups have carried out kidnappings and sabotage against economic targets. This is their alternative to the irreversible defeat the EPS has inflicted on those forces. The confrontations were reported in the Departments of Chontales, Zelaya, and Jinotega. The details of these confrontations follow:

Action Around the Jinotega and Matagalpa Departments

On 15 January EPS troops clashed with counterrevolutionary groups in the area of the Toro River, 9 km southeast of San Jose de Bocay, Jinotega Department. The mercenaries suffered one casualty and a rifle military equipment were recovered.

On 18 January fighting erupted 7 km east of San Rafael del Norte, Jinotega Department. The Somozist counterrevolutionaries suffered four dead and three wounded.

On 19 January fighting was reported 10 km northeast of Wamblan, Jinotega Department. The counterrevolutionaries suffered two casualties, including one death. We also recovered a G-3 rifle and a Chinese-made AK rifle. On that same day a clash occurred at (Las Pinitas) Hill, 14 km southwest of Rio Blanco, Matagalpa Department. Our troops annihilated four counterrevolutionaries and wounded another. We recovered four FAL rifles.

On 21 January another clash occurred in the area of El Tigre Hill, 22 km northeast of San Sebastian de Yali, Jinotega Department. Five counterrevolutionaries were captured; one of them had been wounded.

On 23 January fighting erupted 16 km southeast of (Waslika), Matagalpa Department. The counterrevolutionaries suffered three dead. On this same day fighting occurred in the areas of Canta Gallo Hill and Yarao, 26 km and 29 km north of Rio Blanco, Matagalpa Department. Two mercenaries were killed and four wounded during this clash. Three FAL rifles were recovered.

On 24 and 25 January our troops fought in the areas of Wanawas, 19 km north and 26 km northwest of Rio Blanco, Matagalpa Department. The mercenaries suffered 11 dead, and 6 civilians who had been kidnapped were rescued.

Actions Against the Civilian Population

On 14 January in (Naranjal), 11 km northwest of Mulukuku, Matagalpa Department, a group of mercenaries intercepted a Construction Ministry, MICON, vehicle. The vehicle was burned.

On 17 January, 24 km east of (El Suma), a group of mercenaries who were withdrawing kidnapped 38 peasants from the nearby communities of La Union, La Flor, El Limon, (Valle Escalon), and La Esperanza.

Actions in the Boaco, Chontales, and Zelaya Departments

A clash with the mercenaries took place in the area of Pilan, 36 km north of Muelle de los Bueyes, Zelaya Department on 12 January. As a result of this clash, two counterrevolutionaries were killed and five were wounded.

On 14 January fighting erupted in the areas of (Punteagudo) Hill and (Colonia Serrano), 39 km northeast and 25 km southwest of Nueva Guinea, Zelaya Department. Two counterrevolutionaries were killed and two others were captured. Two Chinese-made AK rifles and an M-14 rifle were recovered.

On 15 January fighting was reported at (El Chorizo) creek, 8 km northeast of Waslala, Zelaya Department. Our troops captured two armed counterrevolutionaries and annihilated a mercenary.

On 16 January fighting took place in Buenos Aires, 32 km northwest of (La Pinuela), Zelaya Department. Our troops annihilated two counterrevolutionaries and recovered an AK rifle and an M-14 rifle. On this same day fighting erupted in the area of (Kisaurita), 30 km north of Santo Domingo, Boaco Department. Our troops annihilated two Somozist mercenaries. Among the annihilated mercenaries was the leader of a detachment called Vencedor. Our troops recovered an AK rifle and an M-16 rifle.

At El Zapote creek, 27 km northeast of San Miguelito, Rio San Juan Department, an EPS search patrol found a common grave in which three mercenaries were buried.

On 18 January in El Rama, Zelaya Department, four counterrevolutionaries surrendered with their weapons to EPS troops. The four counterrevolutionaries are: Florencio Sequeira, Carlos Antonio Lopez, Carmelo Solis, and Jacinto Solis.

On 19 January fighting erupted in Los Cimientos, 38 km northeast of Camoapa, Boaco Department. Our troops annihilated the mercenaries.

On 19 January, 25 km east of Bocana de Paiwas, Zelaya Department, seven counterrevolutionaries were annihilated by our troops supported by the Sandinist Air Force. On this same day fighting was reported in the area around (La Chata) Hill and El Espejo, 19 km and 20 km southwest of Nueva Guinea, Rio San Juan Department. The counterrevolutionaries suffered two casualties and two others were captured. An AK rifle was also recovered.

On 20 January fighting was reported in El Consuelo, 28 km southeast of Camoapa, Chontales Department. Three counterrevolutionaries were captured.

On 21 January fighting erupted in (Cano El Caracol), 30 km northwest of El Rama, Zelaya Department. The mercenaries suffered three dead and two others were captured. Two AK rifles and a G-3 rifle were recovered from the mercenaries.

It was also learned that on 21 January EPS troops, supported by special Interior Ministry units, captured 2 counterrevolutionaries and rescued 104 civilians who had been kidnapped by mercenary groups. This action took place between 9 and 12 January in the area of San Francisco, 33 km southwest of Bluefields, Zelaya Department.

On 21 January, EPS troops captured two counterrevolutionaries on El Tablon Hill, 37 km northwest of Camoapa, Boaco Department.

On 22 January fighting erupted on El Toro Hill, 36 km from Siuna, Zelaya Department. At that time 2 mercenaries were captured and 12 peasants, who had been kidnapped previously, were rescued.

On 25 January a group of counterrevolutionaries clashed with EPS troops in La Florida, 14 km north of Waslala, Zelaya Department.

This resulted in the death of three mercenaries, and four FAL rifles were recovered. On this same day fighting erupted in San Ramon, 17 km southeast of Waslala, Zelaya Department. The mercenaries suffered three dead and two wounded.

On 25 January an Mi-8 helicopter of the Sandinist Air Force was on a supply mission in La Penca, in the area of Isla del Venado between Sarapiqui and La Penca, when it was attacked by mercenary forces from Costa Rican territory. The helicopter's windshield received a direct hit; however, no victims were reported. The officers who commanded the helicopter are: Captain Javier Moreno, pilot; and Juan Tinoco, the copilot.

Actions Against the Civilian Population

On 15 January a group of mercenaries attacked a civilian station wagon in the area of (Cano Gengibre), 8 km north of El Almendro, Rio San Juan Department. The mercenaries stole 100,000 cordobas and personal property from the owner of the station wagon.

On 21 January a group of counterrevolutionaries attacked La Horqueta UPE [State Production Unit], 26 km south of (Asoyapa), Chontales Department. The UPE was partially destroyed and a peasant was kidnapped.

On 22 January in the area of El Castillo, 15 km southeast of Mulukuku, Zelaya Department, a group of counterrevolutionaries partially burned two People's Commercial Corporation, cargo trucks.

On 24 January a group of counterrevolutionaries attacked a boat and two dugouts sailing from Bluefields to (La Hermita San Francisco) to La Perla, 31 km southwest of Bluefields, Zelaya Department. No victims were reported.

Managua, 27 January 1986

Defense Ministry, Public and Foreign Relations Directorate

Free fatherland or death!

ORTEGA SENDS CONDOLENCES TO CHALLENGER FAMILIES

PA291315 Managua Radio Sandino in Spanish 1200 GMT 29 Jan 86

[Text] Nicaraguan President Commander Daniel Ortega yesterday sent the most sincere condolences in these difficult moments to the relatives of the astronauts of the space shuttle Challenger, which exploded yesterday soon after its launching.

In a brief message, the Nicaraguan president said: On learning of the tragic death of your relatives, the Government and people of Nicaragua send you our sincere condolences.

The Sandinist radio and television stations gave full coverage to the major catastrophe in U.S. space adventure, a tragedy which had a deep impact on the Nicaraguan people.

BUSH ADMITS CONTRA SUPPORT, VOWS CONTINUATION

PA281957 Managua Radio Sandino in Spanish 1200 GMT 28 Jan 86

[Text] Reiterating the clear violation of international law by the U.S. Government, U.S. Vice President George Bush stated in Tegucigalpa yesterday that the United States is helping Nicaraguan counterrevolutionaries because in that way it can also support democracy. This seems very clear, the vice president emphasized. Of course it is so; only those who want to pretend they are blind won't see, because it [the United States] is admitting it openly.

Bush also said that, historically, we have been concerned about seeing to it that our aid reaches the contras, and we will continue to be concerned that this aid won't be lacking. In addition, the U.S. Government will help Honduras maintain and strengthen its defense and territorial integrity in the face of communist aggression.

We know that Bush is referring to Nicaragua. Of course, the U.S. vice president must not have liked the remarks by Honduran President Jose Azcona, who said he will talk with the Nicaraguan Government in the search for an understanding that helps peace in Central America.

PSC LEADERS DENY INVOLVEMENT IN 'SCORPION' PLOT

PA260432 Madrid EFE in Spanish 0307 GMT 26 Jan 86

[Text] Managua, 25 Jan (EFE) -- Nicaraguan Agustin Jarquin, former president of the Social Christian Party (PSC), today rejected charges implicating him in a recently thwarted "terrorist" rebel plan against the Sandinist government. Leader Agustin Jarquin said: "Any attempt to link the PSC, its current President Erick Ramirez, or me with any armed movement is nothing more than a clumsy scheme that would seem to undermine the possibilities for a peaceful solution to the crisis."

Yesterday, Sandinist authorities exhibited four accomplices of the so-called "Scorpion" "terrorist" plan designed to blow up bridges, supermarkets, movie theaters, basic grain silos, electric plants, and embassies of socialist countries accredited in Managua. Captain Andres Garcia, deputy chief of state security organizations, said the PSC "is nourishing itself with counterrevolutionary elements."

Regarding that charge, Jarquin said: "The Sandinists should realize that the counterrevolution is also made up of former members of the National Assembly, the Army, the party [as received], and former ambassadors." "Our party rejects violence as a way to solve the conflict, said Jarquin, who added that his political group would rather solve problems in a "civic way" and is not involved in any "illegal activity." He added: "This repressive escalation takes place at a time when the possibility for a national dialogue is increasing because of two facts: a new surge in the Contadora process and the consensus of opposition parties on the need for a dialogue."

WHEELOCK: COFFEE HARVEST GOOD DESPITE CONTRAS

PA281249 Managua Radio Sandino in Spanish 1200 GMT 27 Jan 86

[Excerpts] A warm welcome was given yesterday afternoon to a contingent of 600 government workers who waged the coffee battle for 2 months in the area of La Valla, Matagalpa.

They have now returned victorious and pleased because they fulfilled their duty. Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform, Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Commission, other revolutionary government officials, family, and the people in general publicly recognized the work done by the voluntary coffee pickers.

Commander Wheelock said no counterrevolutionary attacks have been reported since the coffee harvest began. This is due to the levels of organization achieved this year and because the pickers went to work with their rifles in hand. Wheelock said the coffee harvest does honor to our slogan of "25 years later, all weapons against aggression." It represents another defeat of imperialism because with the foreign exchange the country will get from its sale on the international market, vital needs of the country will be attended to.

[Begin Wheelock recording] Exactly 2 months since these contingents left, and just as we promised on the day we bid them farewell, they are returning victorious, and we, our National Directorate, government, and party, welcome them with love and appreciation. We are all here in this small plaza to welcome them and their families and children.

The voluntary picking of coffee is undoubtedly a weapon against the aggression, a weapon that has defended a harvest that would have probably been lost had they not been here. The voluntary pickers pick 40 percent of the state's production. They also pick 10 percent of the production of the cooperatives. They are present at the moment when we need them the most, when there is a shortage of traditional pickers, and they pick, the bean that is beginning to over-ripen. They have been a necessary and indispensable factor to achieving this year's high yield from which the country will benefit. The country will benefit from the quality this crop will offer on the international market.

Also, from the political and military viewpoint, the massive presence of thousands of armed pickers has been a powerful dissuasive factor for the desire to kill off the counterrevolutonary bands that wanted to attack, destroy, and stop our productive efforts. [end recording]

Commander Wheelock continued by saying that more than 500,000 quintals of coffee have been picked, and he praised the patriotic attitude of 19,152 voluntary pickers who are participating in this important productive task. Commander Wheelock regretted the accidental deaths of five pickers.

[Begin recording] At the national level we have already picked 500,000 quintals of premium coffee -- that is, 50 percent of the country's coffee crop. Even though it is true that we have begun to demobilize this first contingent, currently we have 19,152 companeros mobilized. Of these 19,152 companeros, 4,400 are UNE [National Employees Union] companeros [applause]; 10,538 are 19 July Sandinist Youth companeros [applause]; 200 are Interior Ministery companeros [applause]; 367 are CST [Sandinist Central Organization of Workers] companeros [applause]; 387 are UNAG [National Union of Farmers and Cattlemen] companeros [applause]; and 3,312 belong to other various organizations and institutions. [all figures as heard] [end recording]

FOREIGN TRADE MINISTER OPTIMISTIC ON COFFEE PRICES

PA281859 Managua BARRICADA in Spanish 26 Jan 86 p 1

[Text] "Nicaragua has already been able to place almost 60 percent of its coffee crop in the international market," Foreign Trade Minister Alejandro Martinez Cuenca told BARRICADA yesterday.

He said the price situation is "quite confusing" following the meeting of the International Coffee Organization (OIC) on Thursday.

He explained that in that meeting the OIC decided to postpone implementation of the international agreement until 19 February because many producer countries are worried that the increase in prices will lead consumers to replace coffee with other products, thus affecting world production.

"The drought in Brazil, the damage caused by the earthquake [as published] in Colombia, and the shortages declared by Honduras, Costa Rica, and El Salvador have led to higher prices. Changes in prices are being detected," the minister added.

The minister said the current coffee market is "very unstable." He said the current price of delivery for March is $239; for May, $241; July, $244; September, $248; and in December, $251. "We believe that some weeks will have to pass before the market stabilizes," he said.

"Nicaragua's policy," he added, "has been to wait in order to clearly see what the trend in coffee prices will be. Nevertheless, we have been gradually selling it and hope to be obtaining higher prices for the coffee already harvested in order to increase the foreign exchange revenue from coffee this year."

TIRADO LOPEZ ON INDUSTRIAL WORK, AID TO CONTRAS

PA270018 Managua Radio Sandino in Spanish 0000 GMT 26 Jan 86

[Excerpts] Commander of the Revolution Victor Tirado Lopez has said that the revolution is the workers who are putting forth their best efforts to change society, and therefore, it is essential that a special effort be made to increase the levels of production and productivity and lower the operations cost. Commander Tirado Lopez made this statement during an assembly at which the industrial sector evaluated its work. The assembly was held today at the headquarters of the Sandinist Central Organization of Workers, CST.

The workers, directors of the industrial enterprises, and the people in general, will defeat the financial aid the Reagan administration is giving the Somozist mercenaries, Commander Tirado said. Commander Tirado stressed that it is not possible for the world to remain impassive in the face of a direct aggression promoted by Yankee imperialism, and that in the face of this situation, Latin America should unite to confront the aggression against Nicaragua and exert pressure for the U.S. Congress not to approve more aid for the mercenaries. If the U.S. Congress approves the more than $100 million in aid proposed to the counterrevolutionaries, the situation in Nicaragua will become very serious because this would represent a declaration, or rather an open and declared war, the Sandinist leader added. In view of the situation ahead of us, we must be alert to defeat the aggression and this will be an effort for the country's workers.

Without mentioning him by name, Commander of the Revolution Tirado Lopez spoke of the slander campaign that Cardinal Miguel Obando y Bravo is spreading around the United States, the United Nations, and the OAS. The slander campaign is against the revolutionary process and it is being carried out at a moment when Reagan is asking for more financial aid for the mercenaries. Tirado Lopez said the United Nations and the OAS have other problems to resolve and these are not precisely religious problems.

ARDE COMMUNIQUE ON ALLIANCE WITH FDN PUBLISHED

PA242133 San Jose LA REPUBLICA in Spanish 15 Jan 86 p 2

[Text] Under no circumstances will we negotiate with communism or let up in our struggle against the Marxist regime of Managua. This pledge was made to one of our reporters by the following contra leaders: Commander Eden Pastora, who has returned to the fight in the mountains; Pedro Rafa; Franklin Ganzo; Emiliano Chaparro; Navegante, who is fighting in Nueva Guinea and was represented by Oscar; and Leonel, who is fighting in El Almendro and was represented by Canario.

The meeting with the commanders took place in Nicaraguan territory on the banks of the San Juan River, close to the former "Tango" guerrilla camp.

Pastora and the commanders of the various military zones in Nicaragua said they had arranged the meeting to formulate a joint declaration regarding the recent publication of a statement of understanding signed jointly by the commanders of ARDE [Democratic Revolutionary Alliance] and the FDN [Nicaraguan Democratic Force], who met in central Nicaragua, according to statements made when the document was released by FDN spokesmen.

The commanders' declaration is as follows:

1. The document, signed by ARDE and FDN commanders in the heart of Nicaraguan territory, is indisputable proof of the fighting existence of the ARDE columns and of their physical and aggressive presence deep inside Nicaraguan territory.

2. The document, which was released by a sector of UNO [Nicaraguan Opposition Unity], was conceived, drafted, and signed under the direction of Commander Eden Pastora, who kept in touch with his lieutenants throughout the period of negotiations. The document also had the acceptance and support of Adolfo Calero, top chief of the FDN, who, like Pastora, approved the wording and authorized the signing of the document.

3. The commanders of the ARDE military zones who signed the document, and other commanders who did not sign it because they were not present at the time of signing, have endorsed and supported it. By the express decision of its signatories and sponsors, the document guarantees the ideological autonomy and political individuality of the groups that signed the pact of unity for the achievement of the common goal: the liberation of Nicaragua.

4. The ARDE commanders reiterate their call for the union of all the armed and political opposition sectors of Nicaragua in a democratic, pluralistic, realistic, and efficient system. In this regard, they also reiterate their appeal for talks and understanding between the BOS [Southern Opposition Bloc] and UNO.

5. The ARDE commanders of the various military zones, who are in control of a large part of Nicaraguan territory, reiterate their firm support for and solidarity with Commander Eden Pastora Gomez, commander in chief of all the ARDE guerrilla forces.

6. The commanders of military zones report that the understanding with the FDN commanders, which dates from early November, has not resulted in any form of aid for the southern front, which for 2 years has not received a single penny except for aid from private individuals in the United States and other countries.

Not a single penny of the humanitarian assistance approved by the U.S. legislative branch has reached the southern front of Nicaragua.

The alliance reached with the FDN has not produced a single rifle or bullet for the southern front, which continues fighting in utmost penury; yet its presence in the center of Nicaragua has been proved.

7. The ARDE commanders state categorically that they oppose any involvement in drug trafficking, without any doubt or hesitation, and they maintain that if they are given proof that any ARDE member is involved in criminal acts of this nature, no matter who he is or what his positive in the ARDE hierarchy, he will be punished immediately and turned over to the authorities of a democratic and just country. They also state that the rumors regarding this problem that have been circulating around the country are merely enemy propaganda, which is why they cannot be proved,

8. The commanders maintain that they will continue struggling for the liberation of Nicaragua, even if they must do so with only their fingernails.

LABOR MINISTER ANNOUNCES NEW INCENTIVES POLICY

PA270101 Managua Radio Sandino in Spanish 0000 GMT 26 Jan 86

[Text] Nicaraguan Labor Minister Benedicto Meneses today told the workers and directors of the People's Ownership Sector and the private sector that an incentives policy will soon be implemented for all the enterprises that surpass their production levels. By decreasing operation costs and increasing productivity with efficiency, labor discipline, and a patriotic spirit, we will be guaranteeing the demand for supplies and defending the worker's purchasing power. The minister added:

[Begin recording] We believe that an incentive is a measure implemented from cost reduction and increased production. Such an incentive does not represent a wage complement or payment for work done. It is the result of a series of efforts aimed at increasing production and guaranteeing lower costs, efforts that have a favorable result on prices and, therefore, defend the purchasing power of the workers, their income, and their possibility of purchasing property because of their established wages. In some way, the adjustments being made to the wage scale, allowed this type of [words indistinct] in the implementation of the incentives [words indistict]. Therefore, taking this situation into consideration, the government has decided to strengthen the [words indistinct] so that in 1986 we can implement an incentives policy that will truly have a positive effect on the worker's pockets and truly raise production and productivity, and defend the people's purchasing power. [end recording]

CONDOLENCES SENT TO U.S. ON CHALLENGER TRAGEDY

FL290151 Havana Television Service in Spanish 0100 GMT 29 Jan 86

[Text] The Cuban people are not insensitive to the profound pain that afflicts the U.S. people following the space shuttle Challenger's accident, which among other victims included a school teacher whose students were watching the flight. During these moments of national grief, conveying the Cuban people's sentiments, the Cuban Government sends its condolences to the U.S. people for that painful tragedy.

[signed] Cuban Government, 28 January 1986.

MALMIERCA ENDS 4-DAY VISIT TO HARARE, DEPARTS

FL281432 Havana Radio Progreso Network in Spanish 1200 GMT 28 Jan 86

[Text] Cuban Minister of Foreign Relations Isidoro Malmierca has left Harare, the capital of Zimbabwe, after completing an official 4-day visit to that African country. During his stay in Harare the Cuban foreign minister was received by Zimbabwean President Canaan Banana and Foreign Minister Robert Mugabe.

FIDEL, RAUL CASTRO ATTEND R. CIENFUEGOS FUNERAL

FL281950 Havana Television Service in Spanish 1800 GMT 28 Jan 86

[Excerpt] Commander in Chief Fidel Castro, first secretary of the party Central Committee, and Army General Raul Castro, second secretary, have attended the interment of Ramon Cienfuegos Flores, father of Camilo. Ramon Cienfuegos, who died of a heart attack, was buried this morning in the pantheon of the Armed Forces at Colon Cemetery. During the pseudorepublic, Camilo's father distinguished himself by his defense of the Spanish Republic and by his participation in the struggle for the rights of the Cuban working class.

ESPIN SPEAKS AT MARTI ANNIVERSARY CEREMONY

FL290323 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 0134 GMT 29 January carries recorded coverage of a ceremony at Havana University's main auditorium commemorating the 133d anniversary of Jose Marti's birth. Vilma Espin, alternate Politburo member and president of the Federation of Cuban Women (FMC) is the main speaker. The establishing shot shows Espin standing in front of the Cuban emblem while the Cuban national anthem is played. The camera pans the audience in the balcony of the auditorium and then switches to the main floor, which appears to be full, with some people standing in the back. Two unidentified men are standing on either side of Espin. Neither Fidel Castro nor his brother Raul are present at the ceremony.

Espin briefly outlines Marti's youth, his writings, and his expanding interest in America. He was concerned about the Indian's plight and grew even closer to workers, she says. Marti confronted world problems, Espin says. "He spoke about political and scientific figures and artists. He was interested in scientific, technical, and cultural innovations. Most importantly, he penetrated U.S. reality, discovering the workings of growing monopolistic capitalism and the situation of Hispanic America, recently liberated from colonialism and destined to be devoured by growing imperialism."

Espin says that history since Marti's time is known. "In the hands of its only enemy, as Marti had predicted, the American peoples' economy collapsed," she says. She continues: "Drowning in underdevelopment and dependency, they are bleeding at a rapid rate, almost to the point of becoming subhuman. Now they are under the unbearable weight of the foreign debt, and its interest rates are growing daily." The FMC president states that inflation increases, while "resources for basic human needs are not available." Espin goes on to say: "The seriousness of the situation and the imminency of great social uprisings as a result have been noted by Fidel Castro, who has reiterated this warning at each of the important meetings held in Cuba analyzing underdeveloped countries' foreign debts and the need for a new international economic order."

Espin continues: "Non-payment of the foreign debt, Latin American economic integration, and establishment of a new international economic order will be the first steps in beginning the battle for development. With all urgency, Fidel has called for unity against the enemy to conquer in this decisive battle." She states that during the last century Marti also called for this same unity.

According to Espin, one of Marti's greatest achievements was the creation of the Cuban Revolutionary Party to liberate his fatherland from imperialism. Marti saw the need for a party that would unite Cubans in combat and make liberty possible.

"The Communist Party of Cuba gives continuity to the Cuban Revolutionary Party, which Marti founded," she says.

According to Espin, the revolution is the greatest monument to Marti. She says: "How fortunate we Cubans have been. We have had a Marti, and now we have a Fidel, who, following Marti's teachings, successfully leads the people through the roads of revolution." "Marti would be greatly pleased to see the work of his children, the work of the Communist Party of Cuba, heir of the Cuban Revolutionary Party," Espin concludes.

BRIEFS

NEW FRENCH AMBASSADOR -- This morning Carlos Rafael Rodriguez, vice president of the Council of State, received Jean-Louis Marfaing in solemn audience. Marfaing presented credentials accrediting him as ambassador of the Republic of France in Cuba. [Excerpt] [Havana Television Service in Spanish 0100 GMT 23 Jan 86 FL]

GUADELOUPE

OPPOSITION CALLS FOR MARCH ELECTIONS BOYCOTT

FL282136 Bridgetown CANA in English 2051 GMT 28 Jan 86

[Text] Pointe-a-Pitre, Jan 28, CANA-REUTER -- Guadeloupe's main independence party has launched a campaign for a boycott of the French Caribbean island's forthcoming legislative elections.

At a news conference yesterday, Claude Makouke, leader of the Popular Union for the Liberation of Guadeloupe (UPLG), condemned what he called the colonial policies carried out since 1981 by the French Socialist government.

Decentralisation is not decolonisation -- it is nothing but an attempt to adapt the colonial system to the reality of today, he said.

The traditionally moderate UPLG decided to boycott the March 16 election after contacting hardline separatists.

Makouke said they would only participate in elections organized as part of a process leading towards independence.

Discontent with rule from mainland France has been intensified in recent years by economic recession, with the island's main commodity, sugar cane, badly hit.

HAITI

DEMONSTRATIONS CONTINUE IN CAP HAITIEN

FL272126 Bridgetown CANA in English 2106 GMT 27 Jan 86

[Text] Cap Haitien, Jan 27, CANA-REUTER -- Troops fired in the air as thousands of angry anti-government protesters filled the streets of this picturesque seaside resort today for the second day running. Frightened tourists began leaving town.

Men, women and children took to the streets of Cap Haitien, Haiti's second biggest town, shouting slogans against President-for-Life Jean-Claude Duvalier.

One group of protesters took refuge in a Roman Catholic cathedral. Troops surrounded the building but did not try to force their way in.

The demonstrators, chanting Down with Duvalier, threw stones at the troops and blocked roads. Troops responded threw tear gas, swinging clubs, and firing their weapons in the air.

The troops and blue-shirted militiamen, known as the Ton Tons Macoutes, later toured the narrow streets in jeeps, jumping out, bursting into shops and homes and clubbing youths they suspected of having taken part in the demonstrations.

Duvalier, apparently in reaction to the protests, announced a series of changes in the military, dissolving the so-called inquest commission of the Army, a kind of intelligence body, and retiring 50 officers.

Diplomats said the commission was a little known body and had no connection with the feared Ton Tons Macoutes.

Tourists, mostly Americanas and Canadians, began packing their bags and pulling out of Cap Haitien. Some 800 passengers from the U.S. cruise ship "Caribe 2" who had been shopping in the narrow, potholed streets of the town were rounded up by the crew and rushed back to the vessel.

The ship sailed just before 1:00 p.m. instead of staying all day as scheduled.

Other tourists who have been enjoying holidays in relatively luxurious hotels above the habour packed up and drove to the capital, Port-au-Prince, five hours away by car.

Yesterday several tourists were roughed up by crowds of angry protesters, and troops burst into the white-stone cathedral in the Place d'Armes and scuffled with worshippers at the end of the morning mass.

Todays events began at mid-morning on the steps of the cathedral. Small groups of youths gathered and started dancing, pushing both arms in the air to the rapid rhythm of endless chants of Down with Duvalier.

Soon a couple dozen soldiers armed with automatic rifles arrived in two trucks and half-walked, half-ran towards the crowd.

The protesters, who numbered little over 100 at that point, scurried into the cathedral and slammed its huge wooden doors as the troops swung their clubs. The soldiers hit the doors several times as they closed but did not persist or try to knock them down and pulled back to encircle the cathedral.

Other people, mostly young men and eventually numbering several thousand, began emerging in side streets, gathering at corners a block from the troops and chanting the same anti-Duvalier slogan.

From time-to-time, the troops fired their weapons in the air or ran towards the protesters, sending them racing through the narrow allys to hide in houses and shops.

Shortly after the "Caribe 2" sailed, youths began gathering again to taunt troops and militiamen.

The anti-Duvalier movement has gained momentum since three students were killed by security forces during a demonstration in the town of Gonaives on November 27.

Duvalier has ruled Haiti since 1971 when he succeeded his father, Francois Papa Doc Duvalier.

Three Killed in Clash

PA281237 Madrid EFE in Spanish 1200 GMT 28 Jan 86

[Excerpt] Port-au-Prince, 28 Jan (EFE) -- At least 3 persons died and another 30 were wounded as a result of clashes between students and policemen in Cap Haitien during a new demonstration against President Jean-Claude Duvalier.

According to local medical sources, the bodies of a man and two minors were admitted to the local hospital. [as received] An additional 30 persons who were wounded, 12 of them with bullet wounds, were also admitted.

Eyewitnesses have reported that the antiriot police opened fire on and threw tear-gas bombs at demonstrators to disperse them. This information contradicts reports issued by the government's Radio National that the situation in Cap Haitien is completely normal. Cap Haitien is the country's second most important city, 250 km north of Port-au-Prince.

ST LUCIA

COMPTON BELIEVES GUYANA'S IMAGE TO IMPROVE

FL281939 Bridgetown CANA in English 1842 GMT 28 Jan 86

[Text] Castries, St Lucia, Jan 28, CANA -- Eastern Caribbean governments are satisfied that Guyana's President Desmond Hoyte will do everything possible to improve the country's political image, according to St Lucia Prime Minister John Compton.

Anything he does from now on will take into account what the outside world thinks of Guyana, and I think he is trying to present a new image of Guyana and we will help him do that, Compton said.

He was commenting on talks he and other Caribbean Community (Caricom) leaders had with Hoyte on Mustique over the weekend.

The informal meeting was triggered by the leaders' concern about developments in Guyana, where the government is accused by its opponents of rigging last December's election and violating human rights. The future of Caricom was also discussed.

Apart from Compton, Hoyte met with the prime ministers of Dominica, Grenada, Barbados, St Vincent and St Kitts and Nevis.

The meeting has been very useful, Compton said. It shows the strength of Caricom and the depth of the integration movement. It indicates to the Guyana Government and any other government that anything they do that may not be in a manner accepted by Caricom will be taken up.

The prime minister added: We cannot treat these things as internal and, therefore, we made our concern known. Hoyte... discussed them with us and we think he is aware of our concern and would like that image removed.

Compton said the Caribbean leaders left the meeting with the assurance that Hoyte knows the concerns of the outside world and he is not prepared to ignore them.

Compton said the Organisation of Eastern States (OECS) and Barbados had established a relationship whereby the leaders would meet informally for discussions when important (? issues) affecting Caricom/OECS relations arose.

Our intention is to show the outside world that we are not prepared to shout at each other but to meet as colleagues to resolve problems, Compton said.

He said he was aware of the fact that President Hoyte's submission was only one side of the story, but he would get an insight into the claims of the opposition on Thursday when he meets with former Guyana Premier Dr Cheddi Jagan, and other members of an opposition delegation now touring the Caribbean.

The team is briefing government and opposition politicians, as well as businessmen, trade union officials and churchmen on developments in Guyana.

TRINIDAD-TOBAGO

EDITORIAL VOICES LACK OF CONFIDENCE IN CHAMBERS

FL271959 Bridgetown CANA in English 1924 GMT 27 Jan 86

[Text] Port of Spain, Trinidad, Jan 27, CANA -- The TRINIDAD EXPRESS newspaper said today that the country had lost confidence in the leadership of Prime Minister George Chambers.

The EXPRESS made its comment in an editorial on Chambers interpretation of the popular calypso The Sinking Ship by Gypsy.

Speaking to party members on Saturday night, Chambers had said that the important line is not that the ship is sinking but that the man is asking the captain what to do.

Chambers said he would tell the man and the whole of Trinidad and Tobago what to do when he is ready.

The prime minister's opponents have used the title of the calypso for advertising their public meetings in the local press.

The EXPRESS pointed to the advice of the master of ceremonies at the calypso tent in which the calpyso was sung -- to throw the captain overboard.

The point is, states the editorial, the prime minister must be aware of the extent of public dissatisfaction and rage which exist nearly everywhere in society, and must know deep in his heart that what Gypsy is really saying is that the passengers, if not the crew on his ill-fated SS Trinidad and Tobago, have lost confidence in his captaincy.

PRESIDENT HOYTE ANNOUNCES NEW CABINET MEMBERS

FL282014 Bridgetown CANA in English 2005 GMT 28 Jan 86

[Text] Georgetown, Jan 28, CANA -- Seven weeks after the December 9 general elections, President Desmond Hoyte has announced who will form his Cabinet from the cluster of ministerial appointments.

There are 11 members including one woman -- Viola Burnham, widow of former President Forbes Burnham.

Hoyte also announced that the Cabinet will meet fortnightly instead of every week and deal with policy matters leaving routine business to newly established supervisory councils, which will be responsible for running the affairs of the 10 administrative regions of the country.

The local governments, which the regional administrative bodies really are, will report on certain matters to the Cabinet.

Following is the Cabinet:

President (responsible for home affairs, co-operatives, regional development)	Desmond Hoyte
First vice president; prime minister	Hamilton Green
Vice-president; first deputy prime minister; attorney general	Mohammed Shahabuddeen
Vice-president (national development); deputy prime minister	Ranjie Chandisingh
Vice-president (education and social development); deputy prime minister	Mrs Viola Burnham
Deputy prime minister (planning and development)	William Haslyn Parris
Deputy prime minister (agriculture)	Robert Corbin
Senior ministers:	
Finance	Carl Greenidge
Foreign Affairs	Rashleigh Jackson
Trade	Winston Murray
Transport	Seeram Prashad

The following are non-cabinet appointments announced previously.

Ministers:

Manpower, housing, the environment	Jeffrey Thomas
Health	Richard Van-West Charles
Information and public service	Yvonne Harewood-Benn
In the Ministry of National Development	Urmia Johnson
Youth and sports (in Ministry of Education)	Roy Fredericks
In the office of the president	Pandit Chintaman Gowkarran Sharma
In the Ministry of Education	Deryck Bernard
Ministers of state	
Agriculture	Jaillal Kissoon
Planning and development	Dr Faith Harding
Manpower, housing, environment	Donald Ainsworth
Forestry	Sharamdheo Sawh
Parliamentary secretaries	
Education	Jean Persico
Home affairs	Stella Odie-Ali
Office of the president	Azamudeen Habioulla

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COMMANDO INTENDS TO CAPTURE, TRY GARCIA MEZA

Issues Communique

PY282301 Paris AFP in Spanish 1453 GMT 28 Jan 86

[Text] La Paz, 28 Jan (AFP) -- In a communique published by a local newspaper, a mysterious Toward the Era of the Masses Revolutionary Commando [Comando Revolucionario Hacia la Era de las Masas] has stated that it will capture and try General Luis Garcia Meza, a former Bolivian president during 1980 and 1981, when he returns to the country, an intention which Garcia Meza has already announced.

The commando accuses Garcia Meza of crimes against the Bolivian people and at the same time it condemns U.S. imperialism and Zionism for the terrorist actions that they have carried out against the Libyan people.

Meanwhile, Vice President Julio Garret Ayllon has reported that on 29 January Congress will decide whether it will try Garcia Meza.

The former de facto president is accused of the murder of former Congressman Marcelo Quiroga Santa Cruz, of eight MIR (Movement of the Revolutionary Left) leaders and of having links to drug trafficking, in addition to shady deals, fraud, abuse of power and human rights violations.

In a letter sent from Montevideo, Garcia Meza has requested the necessary guarantees to personally defend himself in the trial, which could start this week.

Minister Denies Commando Existence

PY290020 La Paz Cadena Panamericana in Spanish 1700 GMT 28 Jan 86

[Report by Cristina Corrales]

[Text] At noon today, the diplomatic corps officially greeted the new foreign minister, Guillermo Bedregal Gutierrez, who delivered a long speech stressing the importance of international solidarity. The whole national Cabinet was present at the ceremony after which several ministers granted a press conference.

Interior, Migration, and Justice Minister Barthelemy said that there is no evidence of the existence of a guerrilla group headed by a Commander Julian who allegedly signed a letter requesting the trial of former president General Luis Garcia Meza for crimes committed during his presidency.

Barthelemy said that the state is not aware of the existence of any guerrilla group that could have written the letters that appeared yesterday and the day before yesterday and which were delivered to the media, including Panamericana. Following are the statements by Minister Barthelemy:

[Begin recording] [Barthelemy, in progress] ...on that occasion, the defense minister had made a long statement about the investigations that were being conducted. No concrete evidence could be found to demonstrate the [word indistinct] or the possible outbreak of guerrilla activities in the country. However, the investigations continue and we are investigating certain persons who are evidently trying to create conditions that will lead to concrete actions in all areas, particularly in the mining districts and in tropical areas between the Cochabamba and Beni Departments.

We are conducting investigations, and we are trying to identify these individuals to be able to proceed in accordance with the law.

[Unidentified reporter] There is a threat [words indistinct] the government. Have you taken into account that there could be some other group [words indistinct]

[Barthelemy] I do not believe that we will reach the stage, or the situation, that was reached in other countries, where outlaw groups were organized and competed among themselves over their political ideologies. No, our case is not the same, because there is a [words indistinct] in all of the country. [end recording]

These were the interior minister's statements in which he denied that there are terrorist, or guerrilla, groups in our country and in which he also admits that his ministry does not know where the letters that were sent to the media came from. These letters were signed by a so-called Commander Julian, who is apparently heading a group that only has political interests.

This is our report, for the time being we have nothing more.

Congress May Try Garcia Meza

PY281806 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jan 86

[Excerpts] The National Congress will meet to analyze a proposal to submit former President Luis Garcia Meza to a legal trial to establish his responsibility for activities that occurred during his presidency. Vice President Julio Garret Ayllon met with the joint committee of the three government branches with Congress.

[Begin Garret recording, in progress] ... to try him according to the Constitution and the laws of 31 October 1884 and 23 October 1944. The Justice Committee has examined the report and officially acknowledged it. [end recording]

General Garcia Meza has sent Garret Ayllon a letter from Montevideo, Uruguay, requesting guarantees if he comes to Bolivia to personally testify at his trial. What has been done about this letter?

[Begin Garret recording] The message was passed to the joint committee of Congress in order to adopt all the appropriate legal measures. The minister general secretary of government will also be informed of the letter. [Words indistinct] 1974 constitutional system establishes that the guarantees should be granted by the executive branch. [end recording]

Therefore, Vice President Garret Ayllon has confirmed that it is the executive branch that must grant the guarantees requested by General Garcia Meza. Garret has also reported that Congress will meet on 29 January at 1800 to analyze the proposal to try General Garcia Meza.

COB, CONGRESS QUESTION FOREIGN OIL DEBT

PY281734 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jan 86

[Excerpts] The Bolivian Labor Confederation [COB] criticized government payments to the international oil companies at a time when the country needs foreign currency for production. According to COB Secretary General Walter Delgadillo:

[Begin recording] This is one of the things the COB permanently denounces. The country is dying for lack of funds, but the national workers are charged a heavy tax, which is used to pay the international oil companies. We have always demanded that the international oil companies operating in Bolivia be nationalized, because they are impoverishing our economy. These dollars are being sent abroad by these companies, which do not (?leave) any money to invest in Bolivia. Some national companies like the Mining Corporation of Bolivia [Comibol] need much smaller amounts of money to be (?reactivated) and for their (?maintenance). History, public opinion, and the press itself agree with the COB's claims on the international oil companies and on (?imposing) taxes. [end recording]

Walter Delgadillo has just told us that instead of paying the international oil companies, the money should be used in Bolivian companies such as Comibol for production.

In turn, the Congress' Hydrocarbons Committee has passed a resolution requesting the investigation of the international oil companies' debts to Bolivia according to Deputy Luis Gonzalez Quintanilla, president of the Congress' Hydrocrabon Committee.

[Begin recording] Our commission has been surprised by the publication of the government decree approving the payment of $80 million, allegedly owed by the Bolivian Government Oil Deposits [YPFB] to these international oil companies for the sale of hydrocarbons.

These agreements are not clear, despite the fact that the legislative branch should be totally informed about them. They do not (?renew) the world contracts. This is why the Chamber of Deputies has approved a motion ordering our Hydrocarbons Commission to make a full investigation of the agreements approved by decree No 21167 involving the oil companies and the (?renewal) of the labor conditions and the payment of alleged pending debts. It is important that the legislative branch control these executive branch actions, which seem suspicious because the agreements were signed between 20 and 25 December, but the decree was signed on 7 January and released to the public just today. [end recording]

TIN PRICE DROPS; LARGE LOSS PROJECTED

PY291053 Madrid EFE in Spanish 2347 GMT 27 Jan 86

[Text] La Paz, 27 Jan (EFE) -- Speaking to the Senate, mining industrialist Carlos Iturralde today stated that Bolivia will lose $122 million due to the drop in international tin prices.

Bolivia, which ranked second in world tin production, dropped to the fifth place after reducing its production over the past 5 years. Bolivia even ranks behind Brazil, which since 1979 has been maintaining a 40-percent growth rate in its tin production. If London sets a price ranging between $3.50 and $4.00 per ton of refined tin -- almost $2 less than the previous price -- Bolivia will lose $122 million altogether, including the price slump, royalties, and output reduction.

In 1986, Bolivia expects to produce 12,000 tons of tin, 3,000 less than in 1985 and 21,000 less than in 1977.

FINANCE MINISTER ANNOUNCES ANTI-INFLATION PLAN

PY281658 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 28 Jan 86

[Text] On the same day that the 16.2 inflation for January was announced, the government reacted by adopting the following measures: The supermarkets will be supplied from the government's regulatory stockpiles, then these supplies will be sold to consumers at government-regulated prices.

Finance Minister Dilson Funaro has accepted the recommendation of President Jose Sarney to use a strong hand to hold down inflation at whatever cost. Yesterday, the minister presented to the press a package of measures of the type the president recommended. The first measure is to freeze the price of food on the basis of the SUNAB [National Superintendency of Supplies] list prepared on 15 January. According to the minister, the prices of sugar, beans, meat, and rice will not increase in the next 30 days. [recorded passage indistinct].

The finance minister also announced other measures that will be approved by the National Monetary Council, CMN. These measures are intended to tighten public expenditures, such as control of the government account at the Bank of Brazil, establishment of a fund with 40 percent of passbook savings deposits up to a limit of 25 percent of all bank deposits, reduction of the period for investment in prefix-earning bank deposit certificates to 90 days, and cancellation of revenue advances to states and municipalities. With the last measures, the finance minister dashes the hopes state governors and city mayors might have of getting financial assistance to pay personnel salaries from the Finance Ministry, as Fortaleza Mayor Maria Luiza Fontenelle had wanted to do.

2 ADVANCED ANTITANK MISSILES NEAR COMPLETION

PY282350 Rio de Janeiro O GLOBO in Portuguese 27 Jan 86 p 13

[Excerpts] Sao Jose dos Campos, Sao Paulo -- By next October, two of the West's most advanced antitank missiles should be presented to the international market. These missiles are being designed and developed by Engesa [Specialized Engineers, Inc] technicians in Sao Jose dos Campos. The characteristics and the cost of these offensive weapons are secret. It is known, however, that one of them with a 5-kilometer range, will be guided by laser beam; and the other with an 8-kilometer range would be of the fire-and-forget class and guided by TV signals transmitted by optic fibers.

In addition to these two "intelligent" missiles, Engesa is working on a new 3.5-ton armored tank, capable of speeds up to 90 kph, and equipped with mortar, missiles, and rapid-fire cannons. This tank will be able to negotiate terrain that neither the heavy EE-T1 tank nor the Cascavel armored personnel carriers can travel easily. The two antitank, high-technology missiles will be cylindrical in shape, normally with a round warhead, which can be elongated. They would be slightly more than 1 meter in length, and would be nearly 25 kilograms in ready-to-fire weight. The warhead would weigh 4 kilograms and would travel at 1,000 kph, capable of piercing 800-mm thick armor. At present, there are only three projects to build this type of missiles: two in the United States and one in Israel.

SARNEY OFFERS CIVILIAN HOUSEHOLD POST TO MACIEL

PY272129 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jan 86 p 4

[By Gilberto Dimenstein]

[Excerpt] President Jose Sarney during a meeting at Planalto Palace yesterday asked Education Minister Marco Maciel to become chief of the Civilian Household. The minister preferred not to give an answer immediately, saying that he would prefer to remain education minister. Last week Maciel told friends: "If I am called, I cannot refuse." He also said: "I would like to remain in the ministry, where I am doing very productive political and administrative work." This is the second official offer the president has made. Science and Technology Minister Renato Archer, who is a close friend of Deputy Ulysses Guimaraes, the president of the Chamber of Deputies, was asked in December to remain in his post.

EMBRAER INVITED TO PARTICIPATE IN PRC FAIR

PY271620 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 27 Jan 86

[Text] Embraer [Brazilian Aeronautics Enterprise] will be the first Western aeronautics company to participate in an air and space fair in the PRC, which will take place in March. The Brazilian industry will try to expand its market, and for that purpose it will present the Tucano training plane, the AMX supersonic fighter plane, and the Bandeirante and Brasilia models.

BRIEFS

FOOD IMPORTS --Agriculture Minister Pedro Simon said that he would deliver his national agriculture program to President Sarney by 15 February. About food importation he said that 5 million tons of corn, more than 1 million tons of rice, and about 20,000 tons of beans must be bought to compensate for the bad Brazilian harvest this year. Brazil will also import 45,000 tons of dry milk from the EEC and 5,000 tons of unsalted, good-quality butter to turn dry milk into hydrated milk. Importing these staples will guarantee the internal supply and the government's social programs. [Summary] [Brasilia Domestic Service in Portuguese 2100 GMT 24 Jan 86 PY]

FEDERAL POLICE DIRECTOR RESIGNS -- Federal Police Department [DPF] Director General Luis Alencar Araripe resigned his post yesterday because he disagreed with Justice Minister Fernando Lyra's decision to countermand an order issued by Araripe appointing Joao Batista Xavier as DPF superintendent in Ceara. Xavier is accused by newly-elected Fortaleza Mayor Maria Luiza Fontenelle of acting as a torturer during the revolutionary period. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jan 86 p 10 PY]

MDP SAYS U.S. ENVOY BARNES DIVIDES OPPOSITION

PY292242 Santiago Domestic Service in Spanish 1630 GMT 29 Jan 86

[Text] A delegation of the so-called Popular Democratic Movement, the MDP, that is visiting Rome has accused the U.S. ambassador to Chile, Harry Barnes, of trying to divide the Chilean opposition. The MDP delegation, which is made up of communist, socialist and MAPU [United Popular Action Movement] leaders, has also called on the Chilean Christian Democrats to unite with the rest of the parties, in other words, with the Marxists. The delegation has also stressed that 1986 will be a decisive year for the fall of President Pinochet and for this reason they believe the opposition must unite.

Jose Sanfuentes, the secretary general of the MDP, was very violent when he denounced U.S. imperialism and its permanent interference in the internal affairs of Chile. He also stressed that the new ambassador, Harry Barnes, has a very clear mission to maintain Pinochet's dictatorship, and he is doing everything he possibly can to divide the opposition.

The delegation has already toured nine European countries in just under 40 days and it includes the priest Rafael Maroto, among others, who is a member of the proscribed extremist organization MIR [Movement of the Revolutionary Left], and Reinaldo Thive, a member of the also proscribed Communist Party. Maroto has stressed the important role that the church is playing in Chile and indicated that the MDP holds frequent meetings with members of the Chilean Episcopal Conference. The delegation also revealed that the MDP has outlined a plan of struggles for 1986 that includes putting an end to the lack of government and the grouping of the opposition that will allow the creation of a provisional government after Pinochet's fall. The delegation met with parties belonging to the Socialist International and invited a group of them to visit Chile. The MDP travellers will return tomorrow to Santiago.

SOCIALIST LEADERS TO FORM UNITY COMMITTEE

PY291439 Santiago Radio Chilena in Spanish 1600 GMT 28 Jan 86

[Text] Four hundred representatives of various political parties and trends last weekend agreed to create a Committee for the Unity of Socialism to integrate the Socialist Party, MAPU [United Popular Action Movement], independent sectors, and other socialist-leaning groups. At a press conference this morning, Ricardo Lagos, Carlos Briones, Ricardo Nunez, Guillermo del Valle, Victor Barrueto and other leaders released the resolution of the plenum. Ricardo Nunez said that a decision was made to replace the socialist bloc in order to move ahead to a larger agreement with all socialist organizations.

[Begin Nunez recording] 1. To move toward the formation of a socialist commitment representing the highest possible consensus in this area of the left, especially for defining common goals in policies for (?alliances). The socialist bloc will give its share of this commitment with a political proposal approved by its assembly.

2. To create with this objective in mind a Committee for the Unity of Socialism comprising all sectors of the socialist area under equal conditions.

3. To move ahead on a priority basis with participation by all active members of the socialist bloc including the rank-and-file in a broad socialist dialogue toward a common policy for 1986, and especially to create single socialist movements in each front of the masses.

4. To declare the decision to create a socialist movement including all organizations sharing common political proposals for the country.

5. In order to move ahead with those objectives, the plenum has elected a high-level committee of the socialist bloc to organize the Committee for the Unity of Socialism, which will state the mandates expressed here. [end recording]

Ricardo Lagos said that he expects to reach a political agreement during 1986 to work in all social, labor, and student fronts for the unity of socialism, and to agree on the creation of a united movement to replace the socialist bloc for a wider movement. In conclusion, Victor Barrueto said that efforts will be made to unify the opposition around social mobilization for the recovery of democracy.

PCCH LEADER ON ACTIVITIES IN ARGENTINA

PY291523 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0000 GMT 29 Jan 86

[Text] Buenos Aires, 28 Jan (NA) -- Luis Guastavino, representative of the Chilean Communist Party (PCC) in Argentina, has stated that the PCCh "is not involved in the armed struggle" [as received] in its opposition against the regime of Augusto Pinochet. He noted that "I have no direct information about the Argentine Government's concern about the political task that our party is carrying out in Chile." Speaking on the Radio Continental program "Revista Cinco", Guastavino added: Other countries, however, have expressed a biased concern about the Communist Party's political action, as can be seen from the well-known statement issued by U.S. General Vernon Walters."

The Chilean communist leader, who resides in Argentina, noted that "the PCCh is a serious and responsible political party that maintains relations and holds dialogues with senators and deputies of the Argentine Congress, with Argentine political parties, and union organizations, and we believe it is indispensable to talk with Argentine Government authorities (?to clear up) this situation. Guastavino noted that his task in Argentina is "to offer solidarity to the struggle of the Chilean people with the extensive support that Argentine political forces grant to our cause. We carry out a completely open and public activity and we are not aware of any situation that may create disagreements between the Chilean resistance, the Argentine Government forces, and Argentine opposition forces."

Guastavino praised the activities of the "Manuel Rodriguez Patriotic Front" (FPMR), over whose activities, according to some press reports, the Argentine Government has expressed "concern". Guastavino noted that the PCCh observes "with extraordinary sympathy" the activities of the FPMR, which he described as an organization that "stems from the Chilean people's desire to struggle through the use of decisive and resolute methods against the Pinochet dictatorship." Commenting on the present situation in Chile, Guastavino noted that one of the main obstacles to ousting Pinochet is "the disagreements" that the PCCh is experiencing with political forces linked to Christian Democracy and he announced a "national stoppage" during the first half of the year.

Guastavino said that although the PCCh speaks of "popular rebellion of the masses" and Christian Democracy proposes "civil disobedience," an agreement between the two sectors may be achieved and he added that "at the end of the dictatorship we shall be able to achieve an ideological and political experience having extraordinary characteristics not only for the Chilean people but having a great impact in the Latin American Southern Cone region."

COMMUNISTS PREDICT 'UPHEAVAL, INSURRECTION'

Ex-Finance Minister on 'Crisis'

PY290255 Paris AFP in Spanish 1512 GMT 28 Jan 86

[Text] Mexico City, 28 Jan (AFP) -- Orlando Millas, a former Chilean finance minister and a member of the Chilean Communist Party, stressed here today that the political and social situation in Chile will provoke an upheaval in a very short time because now not even the military supports Augusto Pinochet and because the crisis is at a boiling point in the Armed Forces. According to the communist leader, who arrived in Mexico from Cuba, the people can no longer endure the wave of government crimes and repression and have decided to carry out an uprising that will resemble a rebellion. Millas also indicated that the financial problems that Latin America is experiencing have had an even harsher effect in Chile because the loans that were granted to the country during the past few days have not been for the nation but have gone into pockets, thus allowing no benefits for the people from the public debt.

CUTCH Leader on Need for Unity

PY291406 Madrid EFE in Spanish 1858 GMT 28 Jan 86

[Text] 28 Jan (EFE) -- Mario Navarro, secretary general of the Sole Central Organization of Chilean Workers [CUTCH] and member of the political committee of the Chilean Communist Party [PCCh], said today that 1986 will be the year of "national insurrection to overthrow General Pinochet's dictatorship." Navarro, who is in Madrid participating in a ceremony organized by the Spanish Communist Party to commemorate the 64th anniversary of the Chilean PCCh, said that "national insurrection is, at the moment, the most reasonable way out of the situation in Chile." During a press conference, Navarro referred to the need to unify all the democratic forces in Chile "to defeat Pinochet," and he expressed his wish "that Chile would be able to receive the pope in freedom and democracy in March 1987."

He announced that the Chilean political parties as well as several sectors of the population are ready to start "a set of either peaceful or violent struggles against the dictatorship" and he likewise requested international solidarity because "this task does not belong to our people alone." He said that according to the latest polls, 86 percent of the Chilean population "oppose the dictator," and the political parties as well as several sectors of Chilean society are willing to join forces against the regime.

About the National Accord for the Transition to Full Democracy signed by the main opposition forces on 26 August, Navarro said that "it has a chance of succeeding." He said that certain aspects of the National Accord are favorable "because they represent the strengthening of the forces that oppose the dictatorship," but criticized its exclusive character "because it was signed without considering the left," Navarro said.

RAMIREZ ASSERTS NEED FOR REGIONAL DIALOGUE

PA291906 Bogota EL TIEMPO in Spanish 23 Jan 86 p 7 C

[Excerpts] Harry Shlaudeman, the U.S. roving ambassador to Central America and the Caribbean, yesterday accused Nicaragua of blocking the peace process within the new Contadora strategy by refusing to talk with its opposition in the search for formulas to put an end to the conflict.

Meanwhile, Foreign Minister Augusto Ramirez Ocampo said: "We understand that" the fact that Nicaragua joined, in the Guatemalan declaration, the Caraballeda message, "means that it is accepting the need to begin talks with the opposition and to look for internal reconciliation."

Ramirez Ocampo said that the meeting between Shlaudeman and President Belisario Betancur was "very practical and clear."

He explained that this is due to the fact that they analyzed the contents of the Caraballeda message in the sense that several simultaneous actions are needed so that the so-called permanent bases for peace in Central America can be implemented. "The Caraballeda message covers matters pertaining to freedom, human rights, and the country's participation in democracy, but at the same time it calls for the rejection of any support to insurrectional movements that go against established governments in Latin America," the official said.

Referring to the need for a dialogue between the Sandinist government and the opposition, Ramirez Ocampo noted that the Contadora Group and the Support Group have clearly stated in the Caraballeda document that this dialogue is necessary "and by joining the declaration of Guatemala, we understand that it agrees with the need to begin talks with the opposition and seek an internal reconciliation."

Regarding the Caraballeda agreements, he said that a meeting was held in Guatemala and a declaration of Central American countries involved in the process was issued expressing support for this message.

He added that the document was delivered to U.S. Secretary of State George Shultz, the UN secretary general, and the EEC.

"We are working in each of the EEC member-countries and we have obtained a tremendous response. The UN secretary general categorically supported the document, and the EEC did likewise," the foreign minister said.

Referring to nonintervention in the domestic affairs of any country, Ramirez Ocampo said that this is a very delicate topic to understand, but that it has been very well defined in the system of Latin American coexistence.

"We feel that there is no intervention when by a country's own decision these procedures are carried out. What is wrong is when there is a violent imposition of them." he emphasized.

He added that in yesterday's meeting between President Betancur and Ambassador Shlaudeman, the viewpoints of each of the countries that signed the Caraballeda message were clearly stated.

"It seems to me that the explanation given allows one to think that the (peace) process is strengthened in this way. Ambassador Shlaudeman offered to inform President Ronald Reagan about the viewpoints we explained," Ramirez Ocampo said.

He concluded by stating that all that is needed now is for Central American countries to come to agreement on the last two matters that must be settled: the topic of joint military maneuvers and the need for a detente period, as stated in the Caraballeda message, so that this agreement can be possible.

FOREIGN MINISTRY PROTESTS PANAMA DEPORTATIONS

PA292020 Bogota EL TIEMPO in Spanish 23 Jan 86 pp 1, 12A

[Excerpt] The Foreign Ministry has sent a note to the Panamanian Government stating its amazement over the way that country proceeded in the case of people deported to Colombia, and stating that the procedures prescribed by international law were not adhered to.

After investigating the conditions in which several Colombians and people of other nationalities were deported from Panama to Colombia, the foreign minister reached the conclusion that there had been serious departures from the usual procedure in such cases.

The Panamanian authorities deported several people to Colombia, leaving them on the Pacific Coast, under the pretext that they were in Panama illegally, without the proper immigration documents.

The Colombian Foreign Ministry thereupon sent a note to the Panamanian Government stating its amazement over the procedure used, especially since those deported included several foreigners.

The Foreign Minister asked that government to issue precise instructions to ensure that international law and consular practices are respected in those cases. International practice has established that in the case of a deportation, the country carrying out the action must inform the country of the deported person of the reasons for the decision, so that the other state can be properly informed before the action takes place, and can maintain records of the different types of immigation that take place.

These mechanisms were not observed by the Panamanian Government, which resulted in the Foreign Ministry's diplomatic note.

MINES MINISTRY ISSUES OIL PRICE RESOLUTION

PA291711 Bogota EL SIGLO in Spanish 23 Jan 86 p 1

[Text] The national government decided yesterday to reduce the price of petroleum produced in the country and purchased by Colombian Petroleum Enterprise [Ecopetrol] from foreign companies for refining, and determined that 25 percent of the foreign currency obtained by these companies for exporting hydrocarbons must be sold to the Bank of the Republic.

The Mines Ministry issued two resolutions to this effect and one decree establishing new regulations on the prices and volumes for refining and exporting. Resolution No 060 dated 21 January established that Ecopetrol will pay the f.o.b. price to the companies selling them crude oil for refining, taking into consideration the average of three crudes of similar quality purchased in the Western Hemisphere and northern Africa, also considering the f.o.b. prices. Previously, the price being paid was the c.i.f. price, which included the f.o.b. price plus the transportation and insurance.

MINISTER, JOINT COMMAND TO VISIT EMERGENCY ZONE

PY290156 Lima Radio Radioprogramas del Peru in Spanish 2330 GMT 29 Jan 86

[Excerpt] War Minister Jorge Flores Torres asserted that the government actions in the political and economic field for the zone in a state of emergency has helped the peasants reject the Shining Path group and thus decrease subversive attacks in this area.

However, the war minister declined to state when the state of emergency will be lifted. He added that his measure is being studied.

Minister Flores Torres announced that he will travel to Ayacucho and Huanuco next week and that the members of the Armed Forces Joint Command will visit the area at another time.

The war minister confirmed that next week the Joint Command will conduct an inspection tour of the areas declared in state of emergency in order to assess the achievements of the struggle against subversion.

POLICE ARREST SHINING PATH, MRTA MEMBERS

PY292348 Paris AFP in Spanish 1552 GMT 29 Jan 86

[Text] Lima, 29 Jan (AFP) -- The Peruvian police today announced two victories in their struggle against terrorist subversion when they raided a people's school of the Shining Path Maoist guerrilla group and arrested two Tupac Amaru Revolutionary Movement [MRTA] members in Lima.

The Shining Path people's school was raided on 28 January. It is located in Villa El Salvador, in the southern cone district, one of Lima's most heavily populated shantytowns. The authorities reported that during the raid the police arrested 20 Shining Path members who indoctrinated peasants who then migrated to the Andean regions to recruit guerrilla supporters.

Also charged were Teodora Rodriguez and Abraham Arroyo, two young university students of the MRTA who were arrested in the heavily populated San Martin de Porres neighborhood on similar charges. The MRTA was responsible for about 20 terrorist attacks that occurred last week in Lima.

Moreover, on 28 January, the police repelled a Shining Path attack in Huancavelica, at 522 km southeast of Lima. The Shining Path tried to blow up the Tablachaca Dam and cut power to the Departments of Lima, Ica and Junin.

The police noted that the terrorists were forced to withdraw leaving explosives that they had placed on the main dam and the powerhouse.

MINISTER SAYS NO SUGAR IMPORTS NECESSARY

PY291552 Lima Radio del Pacifico in Spanish 1200 GMT 29 Jan 86

[Text] Agriculture Minister Remigio Morales Bermudez said yesterday that people cannot talk about prices if production does not increase. After meeting with members of the industrial association, the minister said that there will be no need to import sugar and that the government has established a series of priorities among which are poultry, potatoes, corn, milk, and meat.

LUSINCHI BRIEFS PARTY LEADERS ON MEXICO TRIP

PA292009 Caracas Television Service in Spanish 1600 GMT 29 Jan 86

[Text] At this time, President Jaime Lusinchi is meeting with the secretaries general of all of the country's political parties in Miraflores Palace to give them a general briefing on the topics he will discuss with Mexican President Miguel de la Madrid when the two meet tomorrow. For his part, this afternoon Venezuelan Energy Minister Arturo Hernandez Grisanti will brief members of the Congress Energy Commission on the agreements to internationalize the oil industry.

Prior to his meeting with the party leaders, the president met with top leaders of the Democratic Action [AD] party and members of his Cabinet -- including Minister Hernandez Grisanti -- to discuss his imminent visit to Mexico. At that meeting Hernandez Grisanti seized the opportunity to discuss the attacks COPEI has launched against the administration's oil policies.

[Begin recording] We have made a special effort to discuss the oil policy with all of the country's interest groups. There is a widespread consensus of opinion regarding these agreements. Therefore, COPEI is making a mistake when it refuses to support this policy. That could lead it to lose some of the 15 percent popular support it has against the more than 40 percent popular support AD possesses. [end recording]

With regard to tomorrow's meeting between Presidents Lusinchi and De la Madrid, Minister Hernandez Grisanti said that the heads of state will discuss the international oil situation in an attempt to establish strategy guidelines aimed at overcoming the crisis.

[Begin recording] We cannot expect all of the market problems to be resolved during that meeting. Many elements come into play in this situation, including the policy by various non-OPEC producing and exporting countries who refuse to cooperate with the efforts to stablize the market. There are a few exceptions to this policy, among which I should especially mention and congratulate Egypt. [end recording]

MINISTER HINTS AT POSSIBLE OIL PRICE DECREASE

PA282247 Caracas Television Service in Spanish 0000 GMT 28 Jan 86

[Report by Carlos Fernandez]

[Text] During a discussion with reporters Energy and Mines Miniser Arturo Hernandez Grisanti has revealed news that brought some hope amid the critical situation on the international oil market, in view of the uncertainty created by reports from abroad. The energy and mines minister admitted that the current situation is in fact a difficult one and that is why it is constantly analyzed. Arturo Hernandez Grisanti replied discreetly at the insistence of reporters:

[Begin recording] I would say that we can absorb a price drop of approximately $3 [per barrel]. If the drop this year -- today is 27 January -- is larger than that, we would evidently have to make some adjustments. However, who can really tell what will actually happen between now and 31 December? [end recording]

Among other questions, the minister was asked whether Venezuela is about to reduce the per barrel price of petroleum in the next few days.

He was as careful and prudent as in his previous answer, but did not rule out the possibility of following the trend established by the international market; that is, a price decrease. Arturo Hernandez Grisanti said that that decision will be made at the appropriate time.

[Begin recording] We will announce the amount of the decrease when we reach the conclusion that it is timely and necessary to make such a change. [end recording]

As for a meeting between Jaime Lusinchi and Miguel de la Madrid scheduled for next Thursday, the energy and mines minister said that the meeting will serve to evaluate the international petroleum market. However, he warned that magic formulas to solve the crisis should not be expected from this meeting. Minister Hernandez Grisanti also confirmed that the meeting of the OPEC strategy committee will take place on 3 February in Vienna. He will leave for Vienna on Friday after returning from a trip to Cancun with President Lusinchi.

BRIEFS

NEW DEPUTY DEVELOPMENT MINISTER -- Jorge Garcia Duque has been appointed as the new deputy minister of development, replacing Omar Cadenas, who has been appointed as general manager of the Venezuelan Investment Fund. [Summary] [Venezuela EL UNIVERSAL in Spanish 14 Jan 86 p 1-14 PA]

OIL WELLS DRILLED -- According to the weekly bulletin issued by the Energy and Mines Ministry, the country's oil industry worked on 652 wells, of which 297 were from the 1985 drilling program and 355 were left over from the previous year. The document noted that of the total of wells drilled, 413 produced hydrocarbons. [Summary] [Caracas EL UNIVERSAL in Spanish 3 Jan 86 p D-7 PA]

DE LA MADRID, PEMEX DIRECTOR DISCUSS OIL MARKET

PA291620 Mexico City XEW Television Network in Spanish 1300 GMT 29 Jan 86

[Excerpt] President Miguel de la Madrid has stated that the only way to avoid chaos and anarchy in the oil market is through international dialogue and agreement. He said that Mexico will insist on this position. Referring to the circumstances in the foreign market, he said that there is a lack of solidarity on the part of certain countries that have tried to increase their participation in the international market without realizing that they are not only plotting against their own interests but against those of the world economy.

The president made these remarks during a work meeting on the progress made by Pemex in the first 3 years of the current administration. De la Madrid said that in view of the international situation, which poses new challenges and difficulties for Mexicans, it is necessary to strengthen internal solidarity with and support for Pemex as the firm in charge of managing the backbone of our economy. He warned that Pemex is an institutional mechanism destined to admister a wealth that belongs to the nation, and thus the interest that must move the work of this company, its workers, its suppliers, and its clients is also the nation's interest. He also praised the support that Pemex has given to the country's economy by making a successful effort to decrease imports and investments in the industry.

During the 4-hour meeting attended by Cabinet members, representatives of the private sector, and leaders of the petroleum workers' union, Pemex General Director Mario Ramon Beteta said that in view of the confusion in the international market, Mexico reiterates its decision to adopt an attitude that is flexible enough to participate in world agreements aimed at restoring order and maintaining price levels. He said that the lack of stability and the uncertainty in the oil market hurt all countries -- exporters and importers, developed and developing -- and seriously endangers the world's financial system. We are not, the official added, simple spectators of events abroad. We are protagonists who play their role with a very clear sense of responsibility.

In his report, Beteta analyzed achievements and goals in each of the areas managed by Pemex, including, among others, industrial safety. He reported that in 1985, the firm reached the lowest levels of accidents in the history of the oil industry. He added that there was a drop of 23 percent in the level of frequency and 35 percent in the level of seriousness during the 3-year period. Beteta reported that during the first 3-year period of the De la Madrid administration, Pemex reached the goals set in its plans. There was an average annual production rate of 2.7 million barrels of crude per day. Of this amount, 1.2 million was assigned for local consumption and 1.5 million was exported.

Regarding the financial panorama, Beteta told the president that there have been advances which he described as essential and important. He added that Pemex' debt has decreased by $4 billion, which represents more than one-fifth of the original debt. The Pemex director said that 3 years ago, the firm owed 3 pesos for each 1 peso it owned. Now, for each peso Pemex has, it owes 75 centavos. He emphasized that Mexico's behavior in the regulation of exported volumes has been exemplary. To continue with this policy and to get others to follow it is essential so that prices can be predicatable and in line with our needs, he noted.

3-Year Pemex Income Noted

FL292212 Mexico City NOTIMEX in Spanish 0358 GMT 29 Jan 86

[Excerpt] Mexico City, 28 Jan (NOTIMEX) -- Pemex Director Mario Ramon Beteta said today that Pemex's annual income from selling crude oil and oil byproducts has been between $15 billion and $16 billion. The Pemex official gave a brief report of Pemex's work during the last 3 years to Mexican President Miguel de la Madrid, members of the presidential Cabinet, senators, deputies, Supreme Court magistrates, and others. The meeting was held in Pemex's administrative center and lasted less than 3 hours. During the meeting, Beteta said the currency, amounting to an annual average of $11 billion, stayed in the country.

Over the last 3 years Pemex produced an average of 2.7 billion barrels of crude oil. Of this amount, 1.5 billion barrels was sold daily and 1.2 billion barrels remained to cover the domestic demand. Beteta reported that in 1982, Pemex owed its international creditors $19.8 billion and that due to its adequate compliance with its financial obligations, the debt has been reduced to $15.7 billion. This has allowed the continuation of funds from international markets to realize normal short term operations and also the use of $10 billion. He also reported that up to 1982, Pemex's accumulated earnings exceeded $160 billion pesos. On 31 December 1985, earnings totalled 3 trillion pesos.

DE LA MADRID, LUSINCHI MEETING SCHEDULE ANNOUNCED

FL300144 Mexico City NOTIMEX in Spanish 2335 GMT 29 Jan 86

[Text] Mexico City, 29 Jan (NOTIMEX) -- President Miguel de la Madrid and Venezuelan President Jaime Lusinchi will hold two meetings tomorrow in Cancun, Mexico to analyze the international oil market situation. In conjunction, their respective committees will participate in other meetings and afterwards will join the two leaders to continue the formal talks.

The Mexican presidency has reported the official program of tomorrow's meeting. De la Madrid will arrive in Cancun at 1030 (1630 GMT) at Mexico's Caribbean coast 800 km northeast of Mexico City and 30 minutes later he will greet Lusinchi with honors as established by protocol. After the greeting, the two presidents and their respective committees will begin their first round of talks at the Casa Maya. The second round of talks will be held in the afternoon and the two delegations will conclude their work with an informal dinner offered by De la Madrid. Lusinchi will return to Venezuela early on Friday. De la Madrid will fly directly to La Paz in Baja California, Mexico.

The Mexican delegation includes Finance and Public Credit Secretary Jesus Silva Herzog; Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa; Pemex Director Mario Ramon Beteta; Presidential Secretary Emilio Gamboa Patron; Presidential Chief of Staff Carlos H. Bermudez; Social Communications Director Manuel Alonso; Mexican Ambassador in Caracas Jesus Puente Leyva; and three other officials.

Lusinchi will be accompanied by Venezuelan Finance Minister Manuel Azpurua; Energy Minister Hernandez Grisanti; Venezuela Petroleum President Brigido Natera; Venezuela Petroleum Director Mario Rodriguez; Central Office of Information Chief Alberto Federico Rabel; and Venezuelan Ambassador to Mexico Guido Groscoors, as well as others.

SPANISH MINISTER ON CONCERN OVER OIL PRICES

FL292130 Mexico City NOTIMEX in Spanish 0335 GMT 29 Jan 86

[Text] Mexico City, 28 Jan (NOTIMEX) -- During his visit to Mexico, Spanish Presidency Minister Javier Moscosco del Prado expressed his concern for the financial situation confronting debtor countries due to the fall of international oil prices. Moscoso del Prado expressed his country's interest to achieve quick stability in the world oil market since falling prices would have serious effects in the international economy. Before leaving Mexico City, the Spanish official (?expressed) his concern about Mexico's current situation and recognized that Mexico is struggling to get ahead. The Spanish minister said trade relations will not be affected by falling oil prices since a climate of cordiality and trust exists between the two countries. During his visit to Mexico, Moscoso del Prado met with Mexican President Miguel de la Madrid, Programming and Budget Secretary Carlos Salinas de Gortari, and General Accountant (Contraloria General) Fancisco Rojas.

SENATE LEADER DENIES DEBT POLICY CHANGED

FL292340 Mexico City NOTIMEX in Spanish 2245 GMT 29 Jan 86

[Text] Mexico City, 29 Jan (NOTIMEX) -- Senate leader Antonio Riva Palacio said today that Mexico should meet its foreign obligations within reasonable limits and without it being an unbearable sacrifice for the people. Mexico is not exactly calling for a moratorium, but that debt payments to international creditors correspond to domestic capability, said the Mexican legislator.

Referring to statements made by Finance and Public Credit Secretary Jesus Silva Herzog, the Senate leader denied any changes in the government's policy on the foreign debt. Emphasis has been placed on one government attitude. This has always been the people's principle object of attention. He said that only sustained growth that would benefit all the people could result in political action searching for proposals, negotiations, and solutions to the problem of the debt. he warned that the people's patience will be limited according to the sacrifices they will have to make. He added that this depends on how much international oil prices drop, how much world bank interest rates fall or increase, how important debt service becomes, changes in domestic inflation indexes and their impact on prices and salaries, as well as other factors. Riva Palacio said: "To achieve the future, we need to maintain national unity, support efforts, and avoid having the majority support the weight of the crisis. The weight should be for all Mexicans.

AUTHORITIES DEPORT 23 CUBAN, 4 LEBANESE ALIENS

PA282242 Mexico City XEW Television Network in Spanish 1300 GMT 27 Jan 86

[Text] Just as there are many Mexicans who decide to enter the United States illegally, there are also those who enter our country illegally. The Mexican immigration authorities deported 23 Cubans and 4 Lebanese who arrived in this capital from Panama yesterday. They intended to enter our country with counterfeit documents. The immigration personnel discovered the counterfeit documents when they were conducting the required inspection. The foreigners were immediately sent back to Panama on Flight 421 of Aeromexico, the airline that brought them to our country. A similar incident took place a few days ago in the border area of northern Mexico. The authorities acted in the manner as they did in this capital yesterday, in compliance with Mexican law.

COSTA RICA

NICARAGUAN SOLDIERS REPORTEDLY RAID BORDER AREA

PA282255 San Jose Radio Impacto in Spanish 1830 GMT 27 Jan 86

[Text] A group of 15 or more members of the Sandinist People's Army [EPS] raided Costa Rican territory through El Delta at the mouth of the San Juan River. The raid was reported to authorities of the Ministry of Justice by the region's Civil Police chief. The exact number of men who trespassed into national territory was not given in the message.

As soon as the raiders entered Costa Rican territory, Civil Police members opened fire on them. The raiders then crossed back into Nicaraguan territory. The security minister has sent members of the National Intelligence and Security Directorate [DIS] to the site to conduct a thorough investigation. Apparently, several civil policemen have reported traces of blood in the area. In addition, Public Security Deputy Minister Colonel Johnny Campos told this radio station that the investigation carried out by the DIS -- which included pictures of the area -- did not disclose any traces of blood. He added that national territory has in fact been violated, but without any further consequences. For this reason, the matter has been turned over to the Foreign Ministry for the corresponding protest. Col Campos said the civil policemen confirmed that the raiders were EPS members, since the policemen saw them with their binoculars. No counterrevolutionary groups exist in this area because it is in the jurisdiction of the Civil Police.

The cause for this violation of national territory by the EPS patrol is still unknown. Deputy Minister Campos said that vigilance on the northern border has not been stepped up, but the garrison in the area still numbers 1,500 soldiers. A battalion has been deployed along the border with Nicaragua. He stressed, however, that this number of civil policemen is not sufficient to watch over Costa Rican territory in this sector.

FOREIGN MINISTER VIEWS FEBRUARY CONTADORA MEETING

PA292235 San Jose Radio Impacto in Spanish 1380 GMT 29 Jan 86

[Text] Upon returning from Honduras where he attended the inauguration of President Jose Azcona Hoyo, Foreign Minister Carlos Jose Gutierrez confirmed that the Contadora Group has scheduled a meeting of the group's plenipotentiaries during the early part of February. When asked about the meetings held by the Contadora foreign ministers, Gutierrez said the following:

[Begin recording] [Gutierrez] I conversed with several of the Contadora Group foreign ministers: Jorge Abadia of Panama, Augusto Ramirez of Colombia, and Simon Alberto Consalvi of Venezuela. I discussed with them actions that should be carried out with the implementation of the Caraballeda Document. The night before last I was informed that they had held a meeting, and Augusto Ramirez confirmed that the Contadora Group plans to schedule a meeting of plenipotentiaries in Panama for next week.

[Unindentified reporter] [Question indistinct]

[Gutierrez] We will continue the negotiations to finalize preparation of the Contadora document. [end recording]

Foreign Minister Gutierrez also mentioned the document issued by the Contadora foreign ministers in Caraballeda, Venezuela. At an earlier meeting with President Monge and U.S. Roving Ambassador Harry Shlaudeman in Costa Rica, Gutierrez had expressed doubts about specific issues in this document. He said the Costa Rican Foreign Ministry still has doubts.

PARTIES UNITE TO DEFEND, PROMOTE DEMOCRACY

PA292209 Panama City ACAN in Spanish 1915 GMT 29 Jan 86

[By Wilfredo Chacon S.]

[Excerpt] San Jose, 29 Jan (ACAN-EFE) -- The country's majority parties, the ruling National Liberation Party, and the opposition Christian Social Unity Party have promised to join efforts to defend and promote democratic rights and liberties. At a solemn ceremony promoted by the Pro-Democracy Association [Aprodem] and in the presence of diplomats of the Soviet Union, Jamaica, Spain, and the United States, the two presidential candidates in Sunday's elections agreed "to boost social solidarity between the citizens and the country's economic and social sectors." Oscar Arias Sanchez of the National Liberation Party and Rafael Angel Calderon of the Christian Social Unity Party promised that every change that must be promoted by whoever wins the election will be carried out "strictly adhering to the institutional and legal order."

In a document issued by the political committees of these two parties today they explained that when they talked about decmocracy there were not only referring to a formal political system but that, in a broader manner, "they are talking about freedom, social solidarity, economic welfare, and cultural flourishing."

NICARAGUA REPORTEDLY SEIZED BOAT IN NATIONAL WATERS

PA282314 San Jose Radio Impacto in Spanish 1830 GMT 27 Jan 86

[Text] It has been reported that the Costa Rican fishing boat detained by the Sandinist People's Army was in Costa Rican waters at the time. This information was given to this radio station by Deputy Security Minister Colonel Johnny Campos. He said that the boat, identified as "Costa Rica 05," was intercepted by a Sandinist patrol boat in Costa Rican waters off Punta Zacate. Brothers Avelino, Manuel, and Francisco Avendana, the Costa Rican crew members, are being investigated by Sandinist authorities.

Deputy Minister Campos said that when the Costa Rican boat was detained it was sailing in the country's northern waters and a report was not received. When word about the incident was recieved, the three fishermen were already being taken to Nicaragua. He said finally, however, that according to the authorities report, the Costa Rican were in Nicaraguan waters at the time of their detention.

EL SALVADOR

BLANDON ON REMOVING CIVILIANS FROM GUAZAPA

PA291226 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Jan 86

[Isidro Emilio Martinez report]

[Text] General Adolfo Onecifero Blandon said today that the second phase of "Operation Phoenix" has concluded, and that a third phase is under way to conduct searches in each of the areas assigned to the participating units.

Since the start, approximately 2 weeks ago, of Operation "Phoenix," which the Army has been conducting in Guazapa Hill, the Army has seized from the FMLN the following: 27 weapons, 1 M-60 machinegun, communications material, large supplies of ammunition of different calibers, 105 caves [tatus], medicine, surgical equipment, and a well-equipped clandestine laboratory. In addition, it was reported that the Army inflicted 48 casualties on the FMLN, and sustained 60 casualties, two of whom have died. Upon his arrival at (Blar) Hill, which is Guazapa Hill's highest point, Gen Blandon talked about the civilians with the guerrillas.

[Begin recording] [Blandon] Yesterday, during his homily, Msgr Rosas Chavez expressed his concern because he has learned that there are still a large number of civilians in different valleys of Guazapa Hill, and he told the commanders how they should treat these civilians. So far, we have a total of 200... [unidentified person corrects Blandon] 222 persons who have been rescued; at present, they are near the San Francisco Sugar Mill. At present, the guerrilla units are near us, practically encircling the highest part, basically in the major valleys in that zone, valleys which, as you will be able to see, are topographically very typical of this zone.

[Martinez] General, what measures will be taken regarding the civilians who are still with the guerrillas?

[Blandon] The measures are as follows: We are sending messages to them through land and air loudspeakers. We are also going to convey our message through flyers telling them that the Armed Forces will guarantee their physical well-being. We are going to cite them the example of people who are under our care in San Francisco. Also, we have asked the assistance of the Red Cross so that they will be able to conduct some humanitarian action for civilians who want to leave the Suchitoto area. We can rescue those people. We believe that there are civilians hidden, but I cannot give the exact figure. However, I think that there are about 600 people hidden.

For example, I remember the "Guazapa 10 operation," which praticallv dismantled all the main terrorist redoubts in that zone. At that time, the terrorists had to leave the area towards the country's northern zone. That is the difference with this current operation. The guerrillas have not yet been able to leave the zone, and are surrounded. In a strategic change for the terrorists, they seem to be trying to conduct some actions in the country's western area so as to give the impression that they are extending the war all over the country. We are aware that a group of terrorists is operating in the western zone. In fact, that is why we had the action in (Fayua). Last night, there was a minor clash in (El Chopo). However, we are taking measures, and this week we will begin taking a very special procedure in the western zone. [end recording]

Gen Blandon also remarked that the guerrillas' morale is low, as seen in the abandonment of camps and of important documents, and that "Operation Phoenix" will continue indefinitely.

BOMB EXPLOSION AT D'AUBUISSON'S HOUSE REPORTED

PA292143 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Jan 86

[By Jose Salvador Castellanos]

[Text] Unidentified persons detonated a bomb last night at the main gate of a house which had been inhabited by Major Roberto D'Aubuisson until a few days ago.

The house is located at the corner of Las Amapolas Avenue and Los Abetos Street in the San Francisco neighborhood. The incident took place at approximately 2200, and it is presumed that the authors planned an attack against Maj D'Aubuisson, but did not know that he no longer lived at the house -- which was completely empty at the time of the attack.

Workers were seen repairing the damage this morning; the main damage was inflicted to the front gate and some windows inside the residence. According to some watchmen in the area, there is no information on the person or persons involved. No clashes ensued after the attack, although all the neighbors were extremely nervous.

The placement of the bomb coincides with a fire which -- it is presumed -- accidentally started yesterday in an empty lot behind the Nationalist Republican Alliance [ARENA] headquarters.

GUATEMALA

NICARAGUAN OPPOSITION GROUP SEEKS 'MORE SUPPORT'

PA292244 Guatemala City PRENSA LIBRE in Spanish 29 Jan 86 p 8

[Excerpts] The members of a Nicaraguan Democratic Coordinating Board [CDN] delegation have asserted that the policy of the Nicaraguan Marxist-Leninist regime is expansionist and all Central American countries are threatened. They gave a press conference at the Camino Real hotel last night.

Dr Eduardo Rivas Gasteazoro, president of the delegation that has come to Guatemala to request moral support from the government, has said that this should concern all the area countries since it is not pleasant to live as his fellow Nicaraguans live. Prior to the toppling of the Somoza regime, the Sandinists vowed to export their revolution from Mexico to Panama, so the Communist danger lurks in Central America.

In addition, Myriam Arguello, president of the Nicaraguan Conservative Party, said the OAS is one of the organizations most responsible for seeking a solution for the Nicaraguan problem.

Answering a question about the way in which the CDN feels the Nicaraguan problem can be solved, Juan Carlos Morales, director of the Nicaraguan Chamber of Commerce, said they do not want armed intervention by any one country. He said: The presence of Russians in our territory is one of the causes for our disagreeing with the U.S. military and financial assistance to the contras. This support has turned the situation into an East-West conflict.

Rivas Gasteazoro also mentioned a recent television interview in Guatemala with Commander Daniel Ortega and described it as a farce. Dr Rivas added: Ortega took the opportunity to lie unashamedly about the situation in our country. He asserted that there is freedom of press and religion in Nicaragua. This is not true. He also said: A government like that will lie in order to achieve its purposes because freedom of press and religion are not the only ones restricted in Nicaragua. We made our contacts to meet with Guatemalan personalities when we arrived here because each phone call to Central America costs us more than $100.

The CDN president said they will meet with President Vinicio Cerezo to deliver a document in which they present the true Nicaraguan situation. Rivas Gasteazoro refused to disclose the contents of the document and promised to reveal it after the Guatemalan president learns about it.

HONDURAS

AZCONA MEETS WITH DUARTE, CEREZO, ESQUIVEL

PA292002 San Pedro Sula LA PRENSA in Spanish 28 Jan 86 p 3

[Text] Tegucigalpa (ACAN-EFE) -- Honduran President Jose Simeon Azcona Hoyo met yesterday with the presidents of El Salvador and Guatemala, Jose Napoleon Duarte and Vinicio Cerezo, and with Belizean Prime Minister Manuel Esquivel. The meetings were held separately and each one lasted between 20 and 25 minutes. According to the participants, "they were courtesy visits made to show respect and sympathy to the new Honduran president [quotation marks as published]

Leaving Azcona Hoyo's office, Duarte said: "We admire the people of Honduras for today's magnificent democratic example, which is the continuation of an electoral process." Duarte said that as Salvadoran president, it is difficult for him to establish the dates for the end of the guerrilla problem in his country. Duarte indicated that "the important thing is to put an end to the causes for the birth of the guerrilla movement in El Salvador." He defined "justice, poverty, misery, and the lack of freedom for the people" as the causes for the birth of this guerrilla movement. "I am working hard and am conscientiously trying to eliminate these causes," Duarte said. The leader also indicated that in the dialogue with the guerrillas, he has maintained what he said about "opening the political space" and noted that his talks with the guerrillas have been "sincere and honest in trying to find the path to peace." However, he said that he is not willing to "accept the tactical dialogue of propaganda, which the guerrillas seem to want."

NICARAGUA

MININT ISSUES NEW RESTRICTIONS ON POLITICAL EVENTS

PA291321 Managua Domestic Service in Spanish 0300 GMT 28 Jan 86

[Communique of the Ministry of the Interior, Minint, issued in Managua on 27 January -- read by announcer]

[Text] After receiving a note from the National Council of Political Parties, CNPP, the Republic of Nicaragua's Minint informs our people of the following:

1. The activities usually carried out by political parties are still in effect. 2. Political parties must notify the Sandinist Police, PS of their plans to carry out an event at least 1 week in advance, indicating the date, place, and time in which it will be held. The notification must be made to the police authorities in their respective areas -- that is, according to their territory. 3. The PS will reply to the request in writing 48 hours after its presentation, either authorizing or denying authorization for the political event. 4. Only political parties represented in the National Assembly, and participating in the drafting of the new Constitution, will be allowed to conduct political activities concerning this process. 5. The same rule applies to political parties concerning propaganda. 6. The deputy chiefs of the PS General Directorate, the chiefs of the national departments, the chiefs of the territorial departments, and the chiefs of the regional police will be responsible for ensuring compliance with these regulations.

Managua, 27 January 1986; Public and International Relations Directorate, Minint

RAMIREZ DISCUSSES RELATIONS WITH U.S., HONDURAS

PA281600 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 28 Jan 86

[Interview with Nicaraguan Vice President Sergio Ramirez Mercado by Cadena Audio Video news director Rodrigo Wong Arevalo in Tegucigalpa -- live]

[Text] [Wong] First of all, what is your opinon of the policy maintained by the outgoing government of Roberto Suazo Cordova toward Nicaragua?

[Ramirez] First, I want to cordially and affectionately greet the Honduran people who are listening to me this morning. Regarding your question, I must tell you that I have arrived here with my government's delegation filled with great hopes about the possibility of a radical and deep change in the relations between Honduras and Nicaragua as a result of the inauguration of President Azcona. I believe that for a start we have opened here the possibility of a dialogue. The possibilities for a dialogue were very slight in the past.

A dialogue among Central American brothers and neighbors seems to be very important now. The topic of the talk I held yesterday with President Azcona -- in the 3 minutes that we were able to talk, because he was obviously very busy with the inauguaration -- was precisely the establishment of a permanent dialogue at the level of presidents, foreign ministers, military leaders, and military leaders at the border, so that we can begin to profit from this dialogue. As I said, unfortunately there were very few possibilities for such a dialogue in the past. This same lack of communication was the source of much tension.

[Wong] Do you think that with the inauguration of a new administration, Jose Azcona Hoyo will fundamentally change the Honduran Government's policy toward the Nicaraguan Sandinist Government?

[Ramirez] You know that there are two factors that shape a country's policy. One of the factors is the circumstances that exist, the other is the will and honesty of men. I have found in Azcona a simple but firm man, a man whom I believe is capable of doing what he says. When he spoke about foreign policy in yesterday's speech, he stressed that Honduras will respect and demand respect for the principle of nonintervention and noninterference in the affairs of other countries. We believe that this is an extremely important declaration of principles that involves relations between Honduras and Nicaragua. If this means that the Honduran Government will definitely close the doors to the traffic of arms towards Nicaragua and to the counterrevolutionary presence, and that it will do so with a firm hand, then this will evidently mean a very profound change in the relations between our two countries.

[Wong] What then does the Sandinist government expect from the new Honduran Government with regard to Nicaragua?

[Ramirez] Precisely that the relations be first of all based on dialogue. As I said, this dialogue should be between our presidents, our foreign ministers, our military leaders, and our border authorities. Through this dialogue, we can lay the groundwork for a new relationship and we can reach concrete agreements with regard to the borders so that tensions will disappear. As a result of these new agreements, we can begin a new relationship which I think is possible. That is why we are here in response to President Azcona's invitation to attend his inauguration. We believe that this possibility really exists.

We also believe that the Honduran people are not interested in any type of tension, conflict, or confrontation with Nicaragua. I was able to see this in the stadium yesterday as a result of the people's reaction to me and the delegation that I head. We have found no rejection or expression of hostility. On the contrary, in the 2 days that we have been in Honduras we have found a climate of friendship and brotherhood that we believe can be the basis for such a new relationship.

[Wong] The border tensions between Honduras and Nicaragua that you have just mentioned are an important daily topic for us because your country's Army frequently launches attacks against Honduras, and the Sandinist Army always justifies its actions by saying that it is pursuing the counterrevolutionaries who operate in Honduran territory. However, the parents or relatives of the victims report that Nicaragua is constantly launching attacks. For example, at 0900 on Saturday, two youths were killed and two children were seriously wounded by an explosive device launched from Nicaragua. How can you justify these types of attacks against the Honduran civilian population?

[Ramirez] First of all, what must clearly and conclusively be proven is whether those devices and attacks really come from regular forces in Nicaraguan territory, in other words, from our Armed Forces which are guarding the border. You also know that a considerable number of irregular forces operate in that area, including on the Honduran side. Those forces evidently are not dependent on the Honduran but on the U.S. Government. They are armed, financed, trained, and directed by the U.S. Government. Their objective is the creation of tension and chaos mainly in my country, but they also do the same on this side of the border.

In these hours that I have been here, I have spoken with small- and medium-sized Honduran coffee growers who bitterly complain about the outrages, vandalism, and even murders committed by these terrorists. Therefore, the important thing in this case is to eliminate these factors. I am sure the Honduran people can be completely certain that the day that we do not have to pursue to our border these terrorists, who, after committing murders, rapes, and vandalism and setting fires on the Nicaraguan side, take refuge on the Honduran side, the day that these terrorists no longer exist, we will not have a single soldier on the border with Honduras. This border has to be peaceful. It would not need to have massive military vigilance and instead would have a normal and friendly vigilance between the two countries. However, there is a factor of irritation and that is this counterrevolutionary presence on the border when there was no need.

[Wong] You know that General Walter Lopez, commander of the Honduran Armed Forces, and even incoming President Jose Azcona Hoyo have repeatedly denied that there are counterrevolutionary camps in Honduras. It is admitted that there are Nicaraguan refugees and Honduras has accepted them under that status for reasons of humanitarianism and respect for international law that obliges countries to help citizens of other countries who arrive as exiles. How do you view this official statement of Honduras, since the Honduran president and Armed Forces commander deny the presence of counterrevolutionary forces that attack the stability of the Sandinist government of Nicaragua?

[Ramirez] If what you say is true, as an official guest of the Honduran Government I do not want to start a controversy about this topic and contradict what you say, which has been officially stated by the Honduran authorities. I have not heard such a statement. In any case, in order to establish stability and normalcy in the border region, all the factors of irritation that affect the peace and the normalcy in that border region must disappear.

For my part, and without interfering with the official statements or opinions of the Honduran authorities, I want to state that we have forces stationed on the border because we have the problem of constant attacks from terrorist forces, and that as long as these attacks continue from armed irregular forces that act against Nicaragua's national security, we will necessarily have to exercise our right to defense in our territory up to our borders.

[Wong] We accept your diplomatic reply, but I understand that the international news agencies have clearly highlighted remarks by Gen Walter Lopez, chief of the Armed Forces. In December, shortly after his election, President Jose Azcona told U.S. television network reporters that there are no counterrevolutionary camps, but refugee camps. We make this observation because if Honduras officially maintains that there are no counterrevolutionary camps or forces, then there will be no agreement or understanding between Honduras and Nicaragua to eliminate the tensions that have existed in the past months. Do you agree?

[Ramirez] As I said earlier, the possibility that has been opened here for a permanent dialogue will enable us to provide the Honduran Government detailed information about this counterrevolutionary presence in Honduran territory. We believe that we can document it. Perhaps through this exchange of information and documentation of the abundant proof that we can provide to the Honduran Government, we can change this view that the Honduran authorities might have. If this information leads to the path of changing their view, then we can say that the dialogue has advanced.

[Wong] There is a very important point and that is the relationship between Nicaragua and its neighbors, Honduras and Costa Rica. Both the Honduran and Costa Rican Governments are worried that Nicaragua is carrying out an exaggerated arms buildup in comparison to the other countries. According to the Honduran and Costa Rican Governments, this imbalance affects regional peace in Central America. What is your view on this concern in Honduras and Costa Rica over an exaggerated arms buildup on the part of Nicaragua?

[Ramirez] I do not think it is correct to speak about an arms buildup. It is true that we have a considerable number of armed men. We have had to organize a considerable defensive force due to the situation of emergency and war that we are experiencing. However, it is not an arms buildup in the sense that you mentioned. Last year, during 1985, the military operations against these terrorist mercenary forces caused more than 3,000 deaths in my country. We lost the lives of 3,000 youths. More than 5,000 were wounded in this war. There was more than $400 million worth of destruction. Therefore, we have those weapons for one reason, and that is that we are being attacked. We are experiencing a hard situation of a cruel war that is costing many Nicaraguan lives, that is costing the tears of many mothers, that is costing much destruction and blood. Therefore, I can guarantee the Honduran and Cost Rican people that once the situation of war ends in Nicaragua, once there is border security among the Central American countries, once we lay the foundations for a long-term agreement, and once we can truly respect each other, then Nicaragua will not need the rifles, and that arms buildup that you mentioned would immediately disappear.

I hope that Nicaragua will someday be a country that can live without an army and have only a small police force to guarantee internal order. But to ask us to put away those weapons while President Reagan is asking the U.S. Congress for $100 million to give weapons to those mercenary and terrorist forces is unreasonable.

There is even talk that the contras will be given helicopters, airplanes, and launchers, which will turn them into a real army that is perhaps even more powerful than some regular Central American armies, because not many Central American armies receive $100 million worth of supplies a year. So long as that situation does not change, it will be very difficult for us to abandon weapons.

[Wong] As you may have noticed, most Hondurans are in favor of respecting the Nicaraguan people's self-determination. The Honduran people have also said on numerous occasions that Honduras should not be used as a springboard for an invasion of Nicaragua. However, most of the Honduran people are also very concerned about the frequent attacks against the Honduran people, where it has been proven that Sandinist People's Army [EPS] troops participated as they were pursuing the counterrevolutionaries. We feel that the Nicaraguans have a right to defend themselves in Nicaraguan territory, but not in Honduran territory. Could you explain this situation that worries us?

[Ramirez] I fully agree with you. We have a right to pursue the counterrevolutionaries, those bandits, in our territory, but not in Honduran territory. That belongs to the Honduran authorities. In no way should we violate Honduran sovereignty, even if we are pursuing these terrorists. That is why I insist we should reach an agreement on a mechanism that would allow border consultations. Perhaps we should some day agree on border patrols, a joint and coordinated patrolling of the border by the Armed Forces of the two countries, so the border area will be a safe border, with no threats. I think this is the best way of handling the problem. We trust we will be able to reach such an agreement with the new administration.

[Wong] Mr Vice President of Nicaragua, early last year the Nicaragua-U.S. talks at Manzanillo, Mexico, shed some light of hope, of understanding between the Governments of the United States and Nicaragua. However, it was nothing but an illusion, because apparently the United States feels that Nicaragua is turning more and more toward the Soviet bloc, judging from what the U.S. secretary of state said at that time. Why has Nicaragua not sought a mechanism of cordial relations between Nicaragua and the United States, inasmuch as Nicaragua is well aware that part of its possibilities for success rest on cordial relations with the United States?

[Ramirez] We have been seeking to have normal and cordial relations with the United States for several years. That has been one of the main endeavours of our foreign policy, seeking to establish normal relations with the United States. In the first place, we are not anti-United States. We do not think that Nicaragua can last forever living against the United States. We are geographic neighbors, we have ties with the United States. The United States is a very powerful country. Just like Honduras, we are a weak country; we must have some type of relations with the United States. We cannot disregard that.

However, we feel that relations must be respectful, in the first place. We will never ever again accept -- as was the case during the Somoza dictatorship -- a relationship of shameful submission to the United States, which is what this Reagan administration tries to impose on Nicaragua. They want us to kneel and say "yes, sir," to everything the United States wants to impose upon us, and we will never accept that. There was a change in Nicaragua, so we could talk equal-to-equal to any government, even the U.S. Government, no matter how powerful they may be. That pride of being a Nicaraguan, that pride of our nationality is what we are developing in Nicaragua and we are not going to turn back on that. Sure, we should have good relations with the United States, but respectful relations, on an equal basis.

We feel that to demand this is not an unusual thing, it is a normal thing, something that belongs to the worthy Nicaraguans, no matter how powerful the United States may be. It is precisely due to their power that these relations should be respectful, and be relations on an equal basis.

[Wong] The U.S. Government has said, however, that Nicaragua opened the doors for the Fidel Castro regime of Cuba to control practically all of the Nicaraguan security apparatus. Dr Sergio Ramirez Mercado, how much truth is there to saying that Cuba controls the Nicaraguan security apparatus?

[Ramirez] I feel this is a fantasy, and let us call it a clumsy fantasy, with very little imagination. If this were true, I would have to accept that we Nicaraguans are inept fools; that we could not even take care of our own internal security, and that we had to resort to foreigners to do this job for us. We are normally intelligent people, and we ourselves can take care of these tasks. It is also said that the Cubans, Russians, Bulgarians are the ones fighting the counterrevolutionary forces, as if we had no experience in taking up weapons against foreign, interventionist troops. With the support of the Hondurans, we defeated William Walker's filibusterers in 1856. With the liberation army led by General Sandino we expelled the Yankee troops in 1933. Therefore, we have vast experience in fighting foreign mercenary troops. Thus, why should we need Bulgarians, Soviets, Cubans, or other people to do this for us? We are sufficiently equipped to defend ourselves with our hands and capabilities.

[Wong] Most Hondurans agree that Nicaragua should exert its own self-determination and that our country should not be used as a springboard to invade Nicaragua. Likewise, we do not agree that Nicaragua should turn itself over to the Soviet bloc, because self-determination implies that a country should exert its own determination. But the local observers and all the people who feel this way do not agree that it is advisable to go from one mess in order to fall into another one. What do you think about this?

[Ramirez] I fully agree with you. Just like the Honduran people do not agree with our going from the U.S. bloc to another bloc, we are the first ones to agree with that. We are not seeking to belong to any bloc. We want to be free and independent, and we want to be respected. Of course, we have relations with the USSR. We have excellent relations, respectful relations with the USSR. We would like someday to have with the United States the type of respectful relations that we have with the USSR. In Nicaragua, when the president of the Republic makes a decision, he does not first consult with the Soviet ambassador. The Soviet ambassador is not visiting the Managua presidential house on a daily basis to see what the president of the Republic has done, or to ask him for a report. We have a sovereign policy: We do not consult with any foreign embassy and we demand respect from the countries that have diplomatic relations with us, and they must not interfere in Nicaragua's internal affairs. We are truly proud of this. Therefore, if someone here wants to say -- to be joking, yes, I would say this is a stupid joke -- that Nicaragua depends on the USSR, or that the USSR is ruling Nicaragua, he is merely recalling former times when the United States was actually ruling in Nicaragua. Now, we Nicaraguans are the ones who rule our country.

[Wong] There is a problem between Honduras and Nicaragua that constantly worries us. That is the case of several Honduran sailors who were detained in Nicaragua. Mr Vice President, is there a mechanism whereby Nicaragua could release these Honduran sailors who were detained in Honduran territorial waters? Sometimes, Nicaragua says they were detained in Nicaraguan territorial waters. Is there something that could be done? These people were fishermen.

[Ramirez] Yes. Yesterday when I arrived here, I was consulted about this issue.

I contacted the president and he told me that yes, in fact, there are some Honduran sailors who were detained, that this is something that happens all the time. I would say it is a normal issue, that such incidents take place all the time in bordering waters. This is an issue of illegal fishing. The law calls for detaining the crews and ships engaged in illegal fishing. You may rest assured that these sailors will be released within the next few days. I wish to make this announcement to the relatives of the sailors over Radio America.

[Wong] Do you know how many Honduran sailors are being detained in Nicaragua?

[Ramirez] I do not have the exact figure now. I understand that all the Honduran sailors arrested in Nicaragua are going to be released.

[Wong] Dr Sergio Ramirez Mercado, to conclude we would like to say that most Hondurans do not want war between Honduras and Nicaragua. Most Hondurans do not want Honduras to be used as a springboard for invading Nicaragua. However, we also feel that the Sandinist government should respect our territory, our borders, and that its right to defend its territory, government, and revolution can be exerted within its borders and not in Honduran territory, regardless of the circumstances. We would like for the concept that we have that Nicaragua has a right to its self-determination to also be a concept that prevails permanently among the Nicaraguan rulers.

You should know that when the people rebelled in Nicaragua, most Hondurans supported the people's rebellion. We gave them our moral support, because we all agreed that the Somozist dictatorship had already created an atmosphere that was crushing the Nicaraguan people. Likewise, we do not feel that a revolutionary government can justify its behavior when defending a new system for the people and then adopt certain repressive attitudes. Examples of this are closing Radio Catolica in Nicaragua and the daily censorship of LA PRENSA in Managua. We cannot accept that type of behavior from the Sandinist government.

Without this being a lack of respect on our part against you, a top-level authority in Nicaragua, or a lack of respect against the respectable Government of Nicaragua, we feel that the Sandinist government is committing such mistakes, which are ruining its international prestige. A people's government that respects basic rights should not censor public opinion media that have in one way or another criticized the actions of a government. Thus, this situation is an issue we want to bring up, but we repeat without trying to offend you or your government, that we feel that the Sandinist government is committing certain mistakes which are ruining its international prestige.

[Ramirez] I do not feel offended by your question. I believe that the way to understand each other and to clear up situations is to call things by their names. If you were to ask me only idle questions, this interview would not be interesting for me or for the audience. This is an opportunity to tell the truth about what is happening in Nicaragua.

We, unfortunately, and I emphasize the word unfortunately, have been forced to have press censorship in Nicaragua, but I don't agree with the notion that this is a Sandinist error. It is a result of the war situation we are enduring. You cannot compare the freedom of the press situation in Honduras and that in Nicaragua because Honduras is not enduring a war. One could wonder what would be the situation of the radio stations and the newspapers in Honduras if you had 14 or 15 young people die here everyday, if much of your national territory were under the attacks of terrorist bands, if every day you had fires in cooperatives, schools, and health centers, and if civilian trucks traveling in rural areas were being blown up because of mines on the roads.

If that were the situation here, and if you were to have here radio stations and newspapers preaching daily in favor of those terrorist forces, saying that the terrorist forces are doing the right thing, that what they are saying to overthrow the constituted government -- because in Nicaragua we do have a constituted government, a government that emerged from the people's will -- is right, then the situation would be different.

In Nicaragua, we don't apply press censorship or close a radio station because it happens to be Catholic, but because a radio station has broken the country's laws and carries, or has carried, messages that go against order in the country and in favor of situations that go against the normalcy we want for Nicaragua even in the midst of a war situation. We are the main enemies of censorship. I can tell you with certainty that the day we no longer have a war, that we reestablish the normal situation we so much want, the day we secure peace, we will be the first ones to lift all the restrictions on the Nicaraguan news media.

You must take into account one thing regarding Nicaragua. We are being accused of totalitarianism. However, we do have a news media in Nicaragua. Our press censorship is circumstantial. The news media is in the hands of their owners. LA PRENSA remains the property of the Chamorro family. Radio Catolica is still the property of the Managua Episcopacy. There are more than 60 radio stations in Nicaragua's departments and cities, including the city of Managua, that belong to small- and medium-size enterprises. So, it is not that there are no independent or private news organs in Nicaragua. What exists there is a circumstantial situation that will disappear once the war we are enduring ends.

[Wong] Yes. We agree that any government has the right to implement press censorship or to close a media outlet when it files reports that are contrary to national interests or security, but we have read reports that the Sandinist government has prevented Radio Catolica from broadcasting a simple homily or mass by Nicaragua's Obando y Bravo. We have also read that your government has prevented LA PRENSA from publishing reports on a tour of Pope John Paul II. We don't see how that type of news could affect Nicaragua's internal security.

[Ramirez] This does not correspond to the truth. In Nicaragua, as in Honduras, there are hundreds of masses in all the Catholic churches that are open, there are services in all the evangelical centers, there are processions, religious events, saint festivities, all this without any kind of restriction. Freedom of religion does not face any kind of restrictions in Nicaragua and we do not ban the broadcasting of masses.

You are touching on the case of Cardinal Obando y Bravo. He is more a political leader than a religious leader. If he were not a political leader who acts like a politician and who is at the side of the Reagan administration's policies, he would not be right now in Washington lobbying in Congress and at State Department offices seeking support for the $100 million request for the counterrevolutionaries. If Cardinal Obando y Bravo were to limit himself to being a pastor of souls, of his flock, then he would be working in Nicaragua with the Catholic congregation and not in the United States. I do not understand what kind of apostolic work Cardinal Obando y Bravo could be doing in Washington. He has been in Washington for more than 1 week doing some kind of work.

Since Cardinal Obando y Bravo was appointed cardinal of Nicaragua by the Pope, he has visited more than 80 cities of all sizes. His statements have been mostly political because he is a political leader. The messages that Radio Catolica broadcasts are political messages. Radio Catolica preaches throughout the day that young people should not obey the Patriotic Military Service law.

This is a violation of the country's laws. What would happen in Honduras if a radio station were to make commentaries and to broadcast communiques every day urging the Honduran people not to comply with the Honduran Military Service Law. Would this be legal? Well, this, is what is what is happening in Nicaragua, and we are enduring a war situation. I do not think that a call for violation of the law in Honduras would be tolerable, in spite of the fact that in Honduras it could be a little bit more tolerable because Honduras is not enduring a war, but we are enduring a war.

[Wong] Yes. I want to say something. In Honduras there is absolute freedom. For example, last year we in the news media waged a war, if you want to call it that, in the Army because the Honduran young people were being recruited in a brutal way.

[Ramirez] That is something else. If there is brutal recruiting and if any abuse is committed at the time of recruiting, this can be criticized there. In Nicaragua what we don't allow is calls urging young people not to comply with the Patriotic Military Service. That is something else.

[Wong] No. But you cannot deny, Dr Ramirez Mercado, that a campaign in that direction leads young people into not complying with the military service, and I want to tell you that the Army stated its concern in a very civilized way. The Army called the directors of news organs to a meeting and very respectfully asked us to cooperate with the Army with a civic-minded campaign. In other words, for the Army to be able to recruit the young people in a civilized manner we had to develop civil awareness among young Hondurans so that they would understand that complying with the military service is, more than a traditional obligation, a civic duty, and that all the Honduran people should always be ready to comply with a military service that benefits not the Army but the country. There has been a positive reaction since the news media unselfishly and unconditionally contributed with the recruiting.

[Ramirez] Forgive me, but you are talking about a different situation. Cooperation with the Army to correctly appeal for compliance with the military service is one thing, and a call for disobedience of a country's laws is something else. In Nicaragua -- I do not know if this is true in Honduras -- we have a law calling for military service. As I have said before, we are at war. We are at war with a band of mercenaries, against a mercenary army that is being paid, directed, and trained by the U.S. Government. Therefore, a call for disobeying the military service law, insistent calls that young people should not comply with the service, are aimed at leaving the country defenseless. That is what they want. They want to campaign in favor of the enemy that is attacking us. This is what neither the country's laws nor authorities can tolerate in a situation of war like the one we are enduring.

[Wong] Mr Vice President, your statement has been, perhaps, the most forceful accusation about the archbishop of Managua being involved in political activities.

[Ramirez] I do not think that he is bothered about being called a political leader because he behaves like one. I repeat my question: What is Cardinal Obando y Bravo doing in Washington these days? He has talked with congressmen who will be discussing the approval of the $100 million. He has met with State Department people. He has gone to the OAS. And his statements have been, all the while, of a political nature. His statements have been in favor of the Reagan administration's interests in Nicaragua. We cannot hide that. We have told this to the Nicaraguan people. Cardinal Obando y Bravo is a political leader who is increasingly identifying himself with the position of the Reagan administration. We believe this is an error by Cardinal Obando y Bravo.

This is, of course, his decision and we are not going to correct him, but these are political actions.

[Wong] Does the majority of the Catholic Church hierarchy of Nicaragua support this political behavior -- as you call it -- of Msgr Obando y Bravo?

[Ramirez] In Nicaragua, 90 percent of the population -- and we are 3 million Nicaraguans -- is Catholic. The rest belong to other Christian religions -- Baptists, Protestants, etc. There are very few atheists in Nicaragua. So, who are defending the country? Who are defeating, arms in hand, the counterrevolutionary forces? And we are defeating them. Who are working for the revolution?

The Nicaraguan people are a Christian people, a Catholic people. We have never forced the Nicaraguan people to choose between the revolution and their religious faith. That would be insane. But whoever puts the Nicaraguan people in the situation of having to choose between their submission to the authority of an eccelsiastic hierarchy and their adherence to the revolution would also be making an error, I think, because Catholics will not stop being Catholics just because they are revolutionaries. What could be weakened is the submission to an alleged authority that makes them choose between revolution and Catholicism, something that we are not doing. We believe that the two conditions are compatible. In Nicaragua a person can be both Catholic and revolutionary.

[Wong] What you are telling us is that the Sandinist government permits freedom of religion?

[Ramirez] To verify this, all a person has to do is to go to Nicaragua and see the churches open, the priests saying mass, the processions on the streets. We in the Government House every year celebrate en masse Nicaragua's most important religious event, the most pure conception of Mary, on 7 December. We erect alters in front of the Government House and hundreds of thousands of people go by throughout the night singing and celebrating this religious holiday with us, the revolutionary leaders, in the Government House.

[Wong] Do you participate in those festivities?

[Ramirez] Yes, I do. Of course. I like that very much. This is one of the most beautiful holidays we have in Nicaragua.

[Wong] Then you are not one of the government officials who supports the existence of the Marxist doctrine within the government? On one occasion Commander Daniel Ortega said that the Sandinist front's doctrine adheres to the Marxist doctrine.

[Ramirez] That question is of a philosophical nature and I do not believe it has anything to do with the religious subject. We are not theoreticians. We are practical people. We are revolutionaries, obviously. We are directing a very difficult revolutionary process that is, unfortunately, confronting the United States. No one will ever see us basing our actions on what books say while ignoring what the true situation is telling us. This is what is important for us. We are pragmatic people. We are realistic revolutionaries. We did not fall victim to the disease common to all revolutionaries during the first few months of the revolution. We are mature people and we will continue conducting this process like mature people.

[Wong] Mr President, according to some international reports your government has repressed some religious sects such as the Jehovah's Witnesses and the Mormons and has confiscated some of their property. Is this true?

[Ramirez] There have been some judicial processes conducted by Nicaraguan justices involving some of these religious orders, although these are not religious orders. I do not know what to call them. Some of these sects, of U.S. origin, continue functioning in the country. This situation has been overcome legally. In Nicaragua there are more than 100 Baptist and Protestant denominations. When I travel across Managua in my vehicle, I always see the name of a new church on small wooden temples that have just opened their doors.

[Wong] One last question, Mr Vice President. Some Nicaraguans who have fled -- they say they have fled -- from Nicaragua have said that during the days of Somoza, which were truly dictatorial days, the government did not close the media or confiscate material. However, this government is now closing the media and confiscating material. How would you comment on these charges made by Nicaraguans who are in Costa Rica, Tegucigalpa, Honduras, and in other Latin American countries?

[Ramirez] I have two comments to make regarding your observation. First, what is the meaning of fleeing from Nicaragua? Whoever wants to come to Honduras can take the SAHSA [Honduran Air Service S.A.] aircraft that leaves Managua everday at 0700. I took a SAHSA plane to come to Tegucigalpa. Those who like to go to Miami once traveled there on Aeronica flights. However, because the United States, in the blockade decreed last May, banned Aeronica flights to Miami, Aeronica now has an agreement with LACSA [Costa Rican Airlines S.A.] and whoever wants to go to Miami from Nicaragua leaves from San Jose. We also have TACA [Central American Air Transport] flights to New Orleans, flights to San Salvador, and two large, open frontiers. The passports of Nicaraguan citizens who wish to leave are not withheld.

Therefore, I think that this talk about fleeing is ludicrous. We Nicaraguans do not live behind an iron curtain from which we are not allowed to leave. Anyone can freely enter and leave Nicaragua. All those who trade with Nicaragua can bear witness to the fact that anyone can freely pass through the Honduran border to and from Nicaragua.

Second, one of the most dishonest actions of the enemies of the Nicaraguan revolutionary process is comparing the revolution with the Somozist dictatorship. These people go so far as to say that things were better in Nicaragua under Somoza. They claim that everything was better: the press had more freedom, the justice system was better, there was no repression, and there was no persecution. Therefore, the obvious inference would be that it was madness for the FSLN to have overthrown the Somozist dictatorship since it was so good and since we were so well off under Somoza. According to them, Somoza did not censor the media. No, he did not, he destroyed them. These people have already forgotten that one night an armored National Guard vehicle went to the newspaper LA PRENSA, shelled it, set it on fire, and completely destroyed it. This is the type of freedom of the press the Somozist dictatorship respected.

Somoza ordered all of the country's independent radio stations closed and the so-called underground journalism sprung up in Nicaragua. Journalists took their microphones to the churches in Managua, to the San Antonio Temple, and broadcast their newscasts from there. People went to the churches to listen to the radio newscasts they could not listen to via the stations. So, this is the type of freedom of the press we had under the Somozist dictatorship which did not defend anything that was morally good, only the unjust system.

We feel that we are indeed defending a system that is morally right, a system of justice, which is trying to radically change the living conditions of the poorest people in our country, of the underprivileged peasants, to whom we are giving land.

Agrarian reform has distributed over 2 million manzanas of land to the peasants.

We have ended polio in Nicaragua. There has not been a single case of polio in Nicaragua during the last 4 years. There hasn't been a single case of whooping cough or measles in Nicaragua this year. We have 1 million people -- children, youths, people of all ages -- in primary, secondary, and technical schools. This is what the revolution has done despite the aggression and the serious economic difficulties we are enduring. This is what we are defending.

When the war is over -- I am completely certain it will indeed end and we will defeat the aggression -- Nicaragua will have peace and we will have the most open freedom of the press in Latin America.

[Wong] Dr Ramirez, we are sincerely grateful to you for having granted us this exclusive interview, which has been very interesting for our station. We want to reiterate to you what we told you during this interview -- namely, that most of us Hondurans respect Nicaragua's right to self-determination and we do not support a war with Nicaragua. In addition, most Hondurans do not agree with the use of our territory as a springboard for an invasion of Nicaragua.

We also feel that the Nicaraguan Government must always bear firmly and clearly in mind a fundamental concept: as a free and democratic country, Honduras is entitled to elect its own authorities and government, and to have the lifestyle which the Honduran people think is best for them. You were able to see the huge throng of Hondurans who went to the stadium to welcome a new president and jeer an outgoing president, whose behavior they disapproved of because of some errors he committed.

I think that the sovereign will which the Honduran people expressed at the polls is faithful testimony to the fact that Hondurans are a mature people who wish to continue living under their present system. In this regard, we would never want Nicaragua to try to meddle and send elements who may destabilize our system.

I sincerely thank you for your statements to our station. Would you like to take a moment to make a farewell statement during this interview?

[Ramirez] Indeed. I simply wish to thank you for the opportunity you have granted me to outline our views to the Honduran people and to tell you that I fully agree with your closing statement. We think that coexistence must be based on mutual respect among peoples. You have a democratic system and a popularly elected government here. We have come here to attend this transfer of power precisely for that reason.

As for us, we also have a government that was elected by an overwhelming majority of the Nicaraguan people. We have a Constitution that our popularly elected National Assembly will put to a vote this year. This Constitution will [word indistinct] peace amid political pluralism, which the revolution is bent on consolidating in our country.

Obviously, there are differences between our two systems but this does not mean that we cannot live beside each other as fraternal countries and amid mutual respect for our internal democratic systems, which lie at the base of this relationship. We think that this respect must be consolidated and that these ties between our two countries must be strengthened. Thank you.

[Wong] Thank you, doctor. Have a good day and thank you very much for your kindness.

RAMIREZ ON ORTEGA-AZCONA TALKS, BORDER COMMISSION

PA292335 Managua Sistema Sandinista de Television in Spanish 0200 GMT 29 Jan 86

[Passages with quotation marks recorded]

[Text] Vice President Sergio Ramirez Mercado arrived in the country tonight from Honduras, where he attended the inauguration of President Jose Azcona Hoyo. Dr Ramirez reported about his trip at the Augusto C. Sandino Airport.

Vice President Ramirez was greeted at the airport by Commander Daniel Ortega, president of the Republic, and Cabinet members. Shortly afterwards, he held a news conference in which he pointed out that despite a misinformation campaign in Honduras, there is much respect and support for the revolution.

[Ramirez] "In Honduras we felt a warm attitude toward Nicaragua. As representatives of the Nicaraguan people, we never felt anything from the Honduran people but expressions of happiness for our presence there; we felt their support. At no time did we feel any hostility or ill-will toward us or the Nicaraguan revolution."

Ramirez said he held meetings with all Honduran sectors who told him that:

[Ramirez] "First, Honduras has no reason to be unfriendly toward Nicaragua; second, Honduras and the Honduran people oppose any confrontation; they oppose the idea of and confrontation between Honduras and Nicaragua and believe that Honduras should not serve as a springboard for aggression against Nicaragua."

The vice president said he met with Jose Azcona Hoyo, the new Honduran head of state.

[Ramirez] "We reiterated an invitation made by President Ortega while in Guatemala to hold a meeting as soon as possible. President Azcona accepted a meeting at the presidential level between the two countries, but pointed out that he would prefer the Esquipulas meeting to take place first."

Ramirez added that there is a positive atmosphere for the meeting of six Central American presidents to take place in Guatemala.

[Ramirez] "We again discussed this topic with President Cerezo, the author of the initiative. The idea is to hold the meeting even before the installation of new authorities in Costa Rica to allow the president-elect to attend this meeting together with President Monge so we would not have to wait until May."

Ramirez said he agreed with Azcona that there will be a meeting of foreign ministers very soon while preparations are being made for a bilateral meeting between the presidents of Honduras and Nicaragua. He stressed an invitation from the Nicaraguan foreign minister to his Honduran counterpart to visit our country in March. He also pointed to the willingness to establish permanent consultation mechanisms between Honduran and Nicaraguan border authorities to seek a normalization of relations between the two countries.

Finally, Ramirez said that there is great concern within the Honduran private business sector including the cattlemen, who are forced to leave their workplaces because they are being harrassed by the counterrevolution.

PLANE CRASH PROVES SALVADORAN SUPPORT OF CONTRAS

PA292322 Managua Radio Sandino in Spanish 1930 GMT 29 Jan 86

[Text] The recent crash of a counterrevolutionary military airplane in Salvadoran territory fully demonstrates the Salvadoran Government's complicity with the Nicaraguan peoples' aggressors. The plane crash has been kept a secret by the Salvadoran Government and there has been a military siege at the site of the crash, which took place last Friday, to prevent the entry of newsmen. According to Radio Venceremos, the voice of the Salvadoran guerrillas, the accident took place west of the Ilopango Air Base, which is considered the contras' center of operations in El Salvador.

The crash of the contra plane in El Salvador disproves accusations that were never proven by the Salvadoran Government regarding Nicaragua's alleged supplying of arms to the Salvadoran guerrillas, and confirms that government's unconcealable cooperation with the Somozist mercenaries.

U.S. CONTRA AID, UNWILLINGNESS TO TALK CONDEMNED

PA300348 Paris AFP in Spanish 0308 GMT 30 Jan 86

[Text] Managua, 28 Jan (AFP) -- Today the Nicaraguan Government condemned the support for the contras that was announced by U.S. Secretary of State George Shultz, and warned that this will prove Washington's intentions to "oust a legitimate government by force, threats, and blackmail." Shultz offered between $35 million and $100 million to the anti-Sandinist guerrillas on Tuesday; he also offered to outfit them with SAM-7 antiaircraft missiles, as announced by Nicaraguan Opposition Unity (UNO) leaders Arturo Cruz, Adolfo Calero, and Alfonso Robelo, who talked with him. Shultz also said to the rebel leaders that the Reagan administration will not renew its bilateral talks with the Sandinist government; the talks were suspended 1 year ago in Manzanillo, Mexico.

The protest points out that "this new confirmation of a warmongering policy against our country proves once more that the Reagan administration's main goal is to oust the legitimate Nicaraguan Government by force, threat, or blackmail." The note adds: "This unmasks the deceptive pretexts and false campaigns (President Reagan) carried out at the U.S. Congress." During the next few weeks the U.S. Congress will discuss the new plan to provide aid to the Nicaraguan counterrevolution, which has received more than $100 million from Washington during the last 3 years.

Nicaraguan Foreign Minister Miguel D'Escoto also states in his protest note that President Reagan has failed to fulfill his "promise" to the U.S. Congress made last year when he stated that if they approved the $27 million aid for the rebels he would restart the dialogue with the Sandinist directorate.

1,400 CONTRAS REPORTEDLY KILLED IN 1985

PA291829 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Jan 86

[Excerpt] The military chief of the 5th Region, Commander Roberto Calderon, has reported that a total of 1,400 counterrevolutionaries were killed, over 100 were captured, approximately 200 turned themselves in, and abundant armaments and war materiel were seized in 1985 by the Sandinist People's Army [EPS] and the Interior Ministry.

Commander Calderon added that the EPS is defeating the counterrevolutionaries because there are internal conflicts within the organizations.

N. AMERICAN INDIANS 'IN DANGER' VISITING MISKITOS

PA291937 Paris AFP in Spanish 1832 GMT 29 Jan 86

[Text] San Jose, 29 Jan (AFP) -- Canadian citizen Clem Chartier, president of the World Council of Indian Peoples, is visiting Nicaragua's Atlantic region to "have a first hand look at what is really happening". This is according to Delano Martin, a spokesman for Misurasata [Miskito, Sumu, Rama Sandinist Unity], which is the Nicaraguan Indian opposition organization.

Chartier traveled to the Nicaraguan Caribbean Coast accompanied by Misurasata's main leader Brooklin Rivera and three other U.S. Indian leaders, among them Russell Means.

For the past 11 days, the Sandinists have reportedly launched an offensive against the insurgents' positions in the country's Atlantic region.

In view of reports that the visiting Indians had been wounded during the combat, Delano said the members of the foreign mission are all "safe and sound." However, he said, that they "are in danger" due to the attacks by ground, air, and sea that the Sandinist Peoples' Army, EPS, is carrying out in that region. According to Misurasata's spokesman, almost all the Indian communities in the Nicaraguan Atlantic Coast "are being bombed and occupied by the military forces." For that reason, Chartier and his companions "must be continuously moved, under the protection of the Misurasata forces," he added.

The Sandinist government has insisted that it is willing to resume talks with Misurasata, talks which have been suspended since May 1985, but has accused Brooklin Rivera of presenting unacceptable conditions "which prevent the dialogue." The Sandinist government has, in particular, accused Chartier and U.S. geographer Bernard Nietschman -- who are both Rivera's advisers -- of opposing the FSLN's policy.

UNO PRESENTS PLANS FOR PROVISIONAL GOVERNMENT

PA272006 Panama City ACAN in Spanish 2112 GMT 25 Jan 86

[By Wilfredo Chacon S.]

[Text] San Jose, 25 Jan (ACAN-EFE) -- The anti-Sandinist Nicaraguan Opposition Unity (UNO), headed by Adolfo Calero, Alfonso Robelo, and Arturo J. Cruz, has proposed the bases for a provisional government of national reconciliation.

UNO leaders today distributed a document containing the bases for democrating their country "to guarantee and propitiate political pluralism by exercising democratic representation." The project contemplates equal conditions for all Nicaraguans, as well as "respect for ethnic, cultural, and religious values."

As an expression of "a rehabilitation and reconciliation process," it proposes a "general amnesty for all political and common crimes, without exception."

The government program contains provisions to resolve socioeconomic problems affecting the family, as well as provisions for the workplace, education, agrarian reform, assistance to war victims and combatants, the return of exiles, and the establishment of a new social contract. According to the concept of the opponents of the Sandinist government, the new state to be established will be a lawful regime "that will ensure equal treatment before the law, respect for and full validity of human rights, and the separation and independence of the executive, legislative, and judicial branches."

As for civilian freedoms, the UNO leadership proclaims that these will be encompassed broad guarantees, "especially freedom of speech, labor union privileges, including the right to strike, and freedom of association and worship."

According to the document of the anti-Sandinists, the election of political authorities will be carried out via the electoral path as the only way to "guarantee the respect of the popular will expressed freely in such periodic processes."

The efficient and honest use of public funds and state resources will also be guaranteed through the creation of a National Comptrollership Commission.

The reconciliation government would abolish the death penalty in Nicaragua and the special tribunals "that have been abusively created by the FSLN." As for state security, UNO proposes the establishment of a National Army which "nobody with a record of violating human rights will be allowed to be part of." In that regard, the new government would proceed to "demilitarize society," subject military authority to civilian power, and dismantle "security organizations and organizations of the Sandinist regime with repressive characteristics."

The foreign policy of the regime proposed by UNO leaders would promote, according to a plan revealed here today, "the independence and sovereignty of the nation, based on principles of the Inter-American system." It would also aim to maintain the policy in complying with international agreements, cooperation, and friendly relations, especially "with countries that practice representative democracy."

After the approval of the program, and 8 months after installation of the provisional and conciliation regime, it would hold elections for a Constituent Assembly that would issue a new constitution within 18 months. After 18 months in office, the new provisional government would hold general elections for a new and democratic government.

Calero, Cruz, and Robelo said this project needs the support of all democratic sectors of the Nicaraguan people and the solidarity and support of the free governments and peoples of the world.

SOVIET SPORTS OFFICIAL ON 1988 OLYMPICS

PA291613 Madrid EFE in Spanish 1201 GMT 28 Jan 86

[Text] Havana, 27 Jan (EFE) -- Marat Gramov, chairman of the Committee for Physical Culture and Sports of the USSR, said today that socialist countries, as well as many others, support the movement in favor of holding the 1988 Olympics in both the ROK and the DPRK. Gramov, who is currently on an official visit in Cuba, said that the International Olympic Committee (IOC) "has meddled in the internal affairs of the Korean peninsula by delivering the games to the ROK."

"Many political leaders in the world, as well as international organizations such as UNESCO, are deeply concerned about the future of the Olympics," Gramov stressed. He added: "This is why Cuban President Fidel Castro has proposed the creation of an international organization to handle international sports in the future."

In an interview granted to a U.S. congressman last year, Cuban President Fidel Castro said: "I believe that the catastrophe of Seoul must be prevented and that the Olympics must be shared, in order to save the Olympic movement. That would be the only way to prevent serious difficulties and a possible collapse of the Olympic movement," he added.

On that occasion Castro said that he "fully supports" the idea that the United Nations should take action on this matter and should create an institution to encourage, promote, and give assistance to sports and physical education activities. Gramov said: "It must be understood that the modern international Olympic movement is only a part of current sports activities."

Gramov referred to IOC President Juan Antonio Samaranch, stating that "he wants to mount a great show, in order to make a big profit; those are his plans for future Olympics, to turn them into open tournaments for amateurs and professionals." In the opinion of the Soviet sports official, "the IOC class structures do not respond to sports needs."

He added: "Coubertin created the bases for the modern Olympic Games, but unfortunately today he is considered romantically-minded. Some say that his time has passed, and their purpose is to turn sports into a commercial activity."

Regarding the Association of National Olympic Committees and its president, Mexican Mario Vasquez Rana, Gramov said: "It would be an important institution if it fulfilled its role; however, neither that association nor the IOC give any assistance to the national Olympic committees." "It is important for the Association of National Olympic Committees to know its role, because Vasquez Rana is not doing his part to give that institution the importance it should have."

Gramov announced that 20 countries from the 5 continents have confirmed their participation in the "Goodwill Games," to be held in Moscow in July. In this regard, he said that those games are not considered an olympiad. "They will be neither large or small; they will be goodwill games, in which youths will have an opportunity to compete in some 100 sports."

SOVIET SHIP ARRIVES IN HAVANA WITH DONATION

FL292015 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Jan 86

[Text] Jorge Lezcano Perez, Central Committee member and party first secretary in Havana, has presided over the welcoming ceremony for the ship (Karnu Laras), which has brought to Cuba the first cargo of the Soviet Government's donation to our country after Hurricane Kate. The 2,500 tons of steel, asbestos, cement, and general goods will be used by Havana City, Havana, and Sancti Spiritus Provinces.

DOMINICANS ARRIVE TO ATTEND PARTY CONGRESS

FL291908 Havana Television Service in Spanish 1800 GMT 29 Jan 86

[Text] A group of Dominican leaders has been in Cuba since yesterday; they are here to attend the third party congress as guests. Included in this group are Roberto Santana, general under secretary of the Anti-Imperialist Patriotic Union, and (Juan Perez Ya), a member of the Politburo of the Communist Party. The following have also arrived in Cuba from the Dominican Republic: Leonardo Mercedes, member of the Politburo of the Socialist Bloc, Miguel Mejias, leader of the organization Militants of the United Left, and (Feliz Alberto Ducodrav), member of the Politburo of the Dominican Liberation Party.

URUGUAY'S SENDIC ON DEMOCRATIC PROCESS

FL300222 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Jan 86

[Text] Raul Sendic, leader of the Tupamaros [National Liberation Front], has said in Havana that his organization supports and defends Uruguay's democratic process, which is now being threatened. Sendic said that opposition candidates, such as Liber Seregni [Broad Front leader], could not participate in the elections because of imprisonment or because the dictatorship did not allow it. The leader of the Uruguayan Tupamaro movement also said that neither the current Uruguayan leadership nor parliament can eliminate coupist elements from the Army.

Sendic, 70 years old, is recovering in Havana from his long years of imprisonment and torture.

CASTRO THANKS CPSU FOR JUBILEE GREETINGS

PM291920 Moscow PRAVDA in Russian 29 Jan 86 First Edition p 1

[Text] To the CPSU Central Committee, USSR Supreme Soviet Presidium, and USSR Council of Ministers

On behalf of our people and the Communist Party and Government of the Republic of Cuba, I express the most heartfelt gratitude for the fraternal greetings message on the occasion of the 27th anniversary of the victory of the Cuban revolution.

Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and chairman of the Councils of State and Ministers of the Republic of Cuba.

GRENADA

BLAIZE INVITES 'ONLY INDEPENDENT' STATES TO SUMMIT

FL292248 Bridgetown CANA in English 2012 GMT 29 Jan 86

[By George Worme]

[Text] St Georges, Grenada, Jan 29, CANA -- Guyana and Belize are the only independent Caribbean Community (Caricom) countries that have not been invited to next month's summit with President Reagan during his four-hour visit to Grenada.

According to the Grenada Prime Minister Herbert Blaize, he had sent invitations only to the leaders of independent island states in the English-speaking Caribbean. He said that Belize, in Central America, and Guyana, in South America, cannot be placed into this category.

Blaize denied suggestions that he was instructed by the Reagan administration not to invite socialist Guyana in particular.

I have an independent government and nobody can tell me what to do. If we decide to do something we do it on our own and not at the request of anybody, he told CANA.

Regional, economic, and security matters would dominate the summit with Reagan who is coming to Grenada nearly more than two years after American troops stormed the small east-Caribbean island to bring an end to Marxist rule.

Blaize said he would announce within a few days who had accepted the invitation to meet Reagan on February 20.

I still have to communicate with some of them (the prime ministers), and I should be able to give something like who would be here for the summit by weekend, he added.

Jamaica's Prime Minister Edward Seaga has already accepted Blaize's invitation to attend the February 20 summit.

Blaize also said that the itinerary for Reagan's visit had not been fully finalized but that he wanted the President to spend at least one hour at the public rally at Queens Park before leaving the island.

In a press advisory today, the government indicated that Reagan will open the terminal building at Point Salines international airport.

He is also due to hold bilateral talks with Blaize and the island's Governor-General Sir Paul Scoon, as well as attend a ceremony at the bronze monument erected at the American medical school on the island honouring 19 U.S. servicemen killed during the invasion.

TOURISM INCREASES 30 PERCENT DURING 1985

FL300001 Bridgetown CANA in English 2102 GMT 29 Jan 86

[Text] St Georges, Grenada, Jan 29, CANA -- Tourism grew more than 30 per cent last year, Tourism Minister George Brizan said.

Brizan gave no figures but according to the Caribbean Tourism Research and Development Centre, the number of tourists coming to Grenada during the first 10 months of 1985 reached 41,497, a 38.4 per cent comparative increase.

The tourism minister told Parliament that tourism receipts in Grenada totalled 25.1 million U.S. dollars as compared to 17.8 million U.S. dollars in 1984.

Tourism currently provides employment for five per cent of the labour force in Grenada.

Brizan spoke of a sizeable increase in cruise ship business in 1985 with a number of cruise liners making calls to the island for the first time in five years after removing Grenada from their itinerary because of political instability in the early 1980's.

The return of those ships and the placing of Grenada on their itinerary is a clear indication of not only the (cruise) lines confidence in the new (Grenada) administration, but is an example of the manifestation of the growing stability of the country, he said.

Brizan said that tourism officials are anticipating a stayover visitor arrival figure of 75,000 by 1990.

JAMAICA

USSR RENEWS THREE YEAR TRADE AGREEMENT

FL292222 Bridgetown CANA in English 2119 GMT 29 Jan 86

[By Paget de Freitas]

[Text] Kingston, Jan 29, CANA -- The Soviet Union has renewed a three-year trade protocol with Jamaica but declined to purchase more bauxite, officials said today.

A four-member Soviet trade delegation, headed by senior Foreign Trade Ministry official Nikolai Zinovyev was leaving today after several days of talks in Kingston during which the protocol was formally extended.

The agreement largely covers trade between the countries and terms under which Jamaica pays for Soviet imports.

Jamaica's main hope during the discussions was for a positive Soviet response to its quest to increase its annual sale of a million tonnes of bauxite under a seven year agreement which expires in 1990.

At present it is not possible for us to take an increase in delivery of bauxite, said Kingston-based Soviet trade representative Edward Barlaban. He said that Soviet supply of bauxite was at present adequate.

They [word indistinct] added Dr Carlton Davis, the executive director of the state-run Jamaica Bauxite Institute (JBI).

Jamaica's bauxite industry continues to be hit by the recession in the world aluminium market, and output which in 1980 was 12 million tonnes was half that amount in 1985. It is expected to be slightly lower this year.

Although we cannot take an increase in shipments of bauxite at this time, maybe we can do so in the future, maybe by the time the present protocol expires, Barlaban said.

Soviet purchases of Jamaican bauxite amounts to over U.S. 20 million dollars annually, officials here say.

Jamaican industry officials consider Moscow a good customer, paying on time and in hard currency. The Soviets also purchase about a million dollars a year of Jamaican pimento (allspice). Under the Soviet-Jamaica arrangement, the Caribbean island is to purchase in Soviet goods approximately 20 per cent of the value of the bauxite sales.

Until now, the Jamaicans have bought mainly Lada motor cars and spares, but they are now seeking to expand the portfolio. At present, there is some interest in buying agricultural equipment, and we are very close to concluding the deal, Soviet trade representative Barlaban said.

Analysts here say Soviet manufactures and technology are becoming increasingly attractive to the Jamaicans. Terms offered by the Soviets to Jamaican traders, with interest rates in the region of 6.5 per cent, is said to be favourable.

Trade between Jamaica and the Soviets was in 1981 valued at under U.S. 9 million dollars, but had reached U.S. 28 million dollars in 1984 and officials say there is scope for further growth.

At a function for the Soviet mission yesterday, Minister in the Foreign Ministry Ossie Harding said both sides had made preliminary explorations to identify new equipment and projects which would serve to improve bilateral trade. He did not specify.

HAITI

ANTIGOVERNMENT DEMONSTRATIONS CONTINUE

Arson, Looting Reported

FL291744 Bonaire Trans World Radio in English 1230 GMT 29 Jan 86

[Text] Antigovernment demonstrations show no sign of ending in Haiti. Residents rampaged in the south Haitian city of Les Cayes yesterday, seizing food and medicine and shouting antigovernment slogans. Radio Lumiere reported that hundreds of residents entered schools, an orphanage, and a health center, taking food, medicines, refrigerators, mattresses, and other supplies. The disturbances in Les Cayes came 1 day after security forces in Cap Haitien, 160 miles north of Port-au-Prince, killed 3 people and wounded about 20 during antigovernment protests. Officials say they feel the death toll will rise.

In the town of Gonaives, an angry crowd Monday burned down the courthouse and set fire to the customs house. Police and militiamen in Gonaives beat back the crowd, which had gone to the courthouse to attack three men charged with the November 28 shooting of three students during the earlier wave of protests.

The U.S. Embassy in Port-au-Prince has advised Americans not to travel to Cap Haitien or Gonaives.

Major Anti-Duvalier Protest

FL292218 Bridgetown CANA in English 2149 GMT 29 Jan 86

[Text] Cap Haitien, Haiti, Jan 29, CANA-REUTER -- Residents of Haiti's second largest town, Cap Haitien, staged a massive protest against President Jean-Claude Duvalier today as a call went out for an eight-day general strike against his rule next month.

About half of Cap Haitien's 75,000 population ran and sang through the streets as the other half cheered. The crowd marched to the cathedral and briefly surrounded the police station but troops and police had clearly been ordered not to react and there was no gunfire or reports of casualties.

As the most dramatic protest against the 28-year-old rule of the Duvalier family subsided, the protesters gave foreign reporters a statement in which they said Duvalier would be effectively overthrown within three weeks.

After a general strike from February 12 to 20, it said, in the event that he is still in power, Jean-Claude (Duvalier), more and more isolated, will be president only of his palace and it will take little to oust him.

Down With Duvalier, Long Live Liberty, the unsigned statement concluded.

The atmosphere was one of near-hysteria and at times of carnival as men, women and children gradually assembled in the narrow, potholed streets, singing down with Duvalier and standing firm as single jeeploads of troops drove past.

With three dead and 38 wounded here this week in anti-government protests, Catholic Church leaders, businessmen, academics and diplomats agree Duvalier is seriously threatened for the first time since he took over in 1971 from his father, Francois Papa Doc Duvalier.

Diplomats say popular grievances centre on his purchases palaces and mansions around the world worth millions of dollars while the majority of Haitians live on a meager 100 dollars a year, suffering malnutrition.

Today's demonstration started with only 30 or 40 youths who gathered outside the corner tailors shop where 50-year-old Christophe Chanel was killed as soldiers sprayed the shop with gunfire on Monday. Soon the crowd had swelled into the thousands and by the time they got to the police station reporters estimated the number at more than 30,000.

As the demonstrators passed the hillside Justinien Hospital, patients wounded during Sunday and Monday's street protests, as well as doctors, waved their encouragement.

The only moment of tension came as the crowd surged toward an Army barracks on the edge of town, and two truckloads of troops of Haiti's northern tactical unit blocked their path, carrying riot shields and automatic rifles.

The statement handed to reporters said in calling for the general strike: This is to give you time to organize yourselves. Except for hospitals and pharmacies, all activity will be stopped for eight days, there will be no commerce, industry, buses, taxis, gas pumps. Stay at home, dear compatriots, the soldiers and patriotic officers will desert.

We do not want to harm anyone. But this time, we will be forced to use all the appropriate means to neutralize those who do not follow us.

We realize the situation of thousands of people who live from day to day, but if we have held out for 28 years (of Duvalier rule), we can manage another eight days.

The statement called on Haitians to boycott next months planned carnival, usually the highlight of the year, which is due in mid-February.

After boycotting the carnival and with the eight-day general strike, in the event that he still remains in power, Jean-Claude, more and more isolated, will be president only of his palace and it will not take much tc oust him.

Church-run radio stations also reported anti-Duvalier protests in the town of Les Cayes, in the south, where protesters last night looted food warehouses run by both Protestant and Catholic aid organizations.

In Cap Haitien, the demonstrators were more vocal than ever before, screaming, Duvalier Masisi (Creole for Duvalier is a gay) and other slogans. Some youths grabbed the microphone of a Canadian radio reporter and shouted anti-government obscenities.

At one point, the crowd passed the slum home of 13-year-old Adlin Pierre, fatally wounded when militiamen, known here as the Ton Tons Macoutes, sprayed gunfire down his street. The boy was huddling inside his tiny home -- a single three-metre by three-metre room -- with his parents and seven brothers and sisters when a bullet came in through the shutters.

His father appeared at the door today, weeping and holding up his son's blood-soaked clothes.

Diplomats See 'Beginning of End'

FL291534 Bridgetown CANA in English 1345 GMT 29 Jan 86

[By Phil Davison]

[Text] Cap Haitien, Jan 29, CANA-REUTER -- The 28-year-old Duvalier dynasty in Haiti is in real danger for the first time after the latest outbreak of anti-government protests, many Haitians and foreign diplomats say.

Most diplomats believe President-for-Life Jean-Claude Duvalier could be toppled soon, possibly in an Army takeover, and they say the vast majority of the six million people of this impoverished Caribbean country would support such a move.

Thousands of men, women and children protested in the streets this week in this northern town, the country's second largest.

The protests, in which three people were shot dead and 30 wounded, were widely seen as the most significant step to date in what many Haitians are now openly calling the revolution.

Catholic Church leaders, businessmen, academics and diplomats agree Duvalier is seriously threatened for the first time since he took over in 1971 from his father, Francois Papa Doc Duvalier, who ruled for 13 years before that.

The people were looking troops straight in the eye, for the first time, and chanting "Down With Duvalier" on the steps of the cathedral here, a local teacher told REUTER today. There is no doubt about it, it was a major step.

Revolution certainly seemed afoot in Cap Haitien, a blend of squalid slums and breathtaking tropical scenery, as thousands taunted troops and militiamen. They were answered by hundreds of gunshots, mostly in the air but some aimed down the narrow streets or into houses.

This correspondent was struck by the resemblance to the streets of Tehran in the weeks before the 1979 revolution which toppled the shah of Iran:

-- The increasing incidence of the slogan "A Bas Duvalier" (Down With Duvalier) reminiscent of the chants of "Marg Bar Shah" (Down With the Shah) in Iran. As in Tehran, demonstrators here stopped motorists and ordered them to say Down With Duvalier before letting them pass.

- The feeling in this town of 75,000 and Gonaives, farther south, it that the vast majority of people back the anti-government movement with growing openness. As happened in Tehran, youths of housewives hauled this reporter into their primitive homes yesterday as troops opened fire or began clubbing people in the streets.

The people here express the same grievances against Duvalier as poor Iranians did against the shah. Diplomats here say Duvalier has purchased palaces and mansions around the world worth millions of dollars while the majority of Haitians live on a meagre 100 dollars a year, suffering malnutrition. Opposition to the president has grown since he married a few years ago. His 34-year-old wife Michele is regularly seen on shopping sprees in the most expensive stores in Europe and, despite Haiti's tropical heat, has one of the biggest collections of mink coats in the world, according to diplomats who know the first couple. Most diplomats in the capital, Port-Au-Prince, now express the view that Duvalier's days as president are numbered and that the most likely scenario is an Army takeover with the president possibly sent into exile.

Many Haitians interviewed in the streets say they would welcome an Army takeover if it got rid of the president. Due to Haiti's relative proximity to Cuba, and the Florida coast, many Haitians also believe the United States will play at least a strong behind-the-scenes role in developments here to prevent a leftist takeover. Many people interviewed said even a U.S. military invasion would be welcome since they felt it would ease their major problem, poverty.

Meanwhile, the situation in this harbour town where Christopher Columbus came ashore in 1492, was quiet but tense. Businesses remained closed, few cars were on the streets and groups of youths stood on every street corner. The youths said they would continue to demonstrate daily. Several said they were prepared to die to liberate our people.

Local priests said they were negotiating with the Army, which was in control of the hospital, for the return of the bodies of the three people killed, including two children, to their families for burial. They predicted increased demonstrations if this were not done. The local church-run Radio Ave Maria yesterday broadcast the speech made by Pope John Paul when he arrived in Port-au-Prince in March, 1983, and residents turned up their radios full blast, sending an eerie echo of the pontiff's words across the otherwise quiet town. Turning from French to Creole to the cheers of his audience, the pope declared: Have courage, have faith, I am with you, you can count on me.

FBIS

DAILY REPORT

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CONTADORA MINISTERS TO MEET SHULTZ, CUBANS

PA301355 Buenos Aires REUTER in Spanish 0257 GMT 30 Jan 86

[Text] Panama, 29 Jan (REUTER) -- The foreign ministers of four Latin American countries will meet with U.S. Secretary of State George Shultz, as well as with Cuban officials in an effort to revitalize the peace initiative of the weakening Contadora Group, official sources announced today. The sources pointed out that the foreign ministers of Mexico, Panama, Colombia, and Venezuela are scheduled to arrive in Washington on 10 February to meet with Shultz and other ranking U.S. officials. The same foreign ministers will also hold talks with Cuban leaders in Havana. It was not immediately disclosed if the talks in Havana would take place before or after the meeting in Washington.

The four countries form the Contadora Group, which for more than 3 years has been trying to promote peaceful solutions to the Central American conflicts. Three countries in that region are involved in insurgent wars. Contadora Group officials have often stressed that no peace initiative for Central America can be successful without the active support of the United States -- the country that dominates the region -- and Cuba, which supports leftist Nicaragua.

Costa Rican Foreign Minister Carlos Jose Gutierrez told the press in San Jose that Contadora officials will meet in Panama next week for a new round of talks regarding the draft of a peace treaty for Central America. There have been a series of "technical meetings" led by relatively minor officials ever since Contadora presented its first draft in September 1984. This draft was immediately accepted by Nicaragua; the other Central American countries also accepted it, one by one. However, when Washington stated its objections, its Central American allies changed their positions.

AMENDED OAS CHARTER STRESSES DEMOCRACY

FL302210 Bridgetown CANA in English 2154 GMT 30 Jan 86

[Text] Washington, Jan 30, CANA -- High-ranking military officials from 16 American countries were told today that any change in the democratic governments of an Organisation of American States (OAS) member country by means other than free elections or popular vote would eventually be considered a violation of the amended Charter of the inter-American organization.

Val McComie, assistant secretary general of the OAS, told officials who are participating here in the annual course of the Inter-American Defence College one of the most important decisions discussed in the protocol of amendments to the OAS Charter, which was adopted last month, is that representative democracy and elected governments must be the basis for better relations among member states, as a matter of fact is the only basis for good relations among member states.

This would suggest now, said McComie, that wherever in the future you have elected governments changed other than by elections or by an expression of the will of the people, that this could be interpreted as a violation of the Charter of the OAS. McComie clarified that the protocol of amendments to the charter, approved last month, must be ratified by at least two-thirds of the OAS member states before it can take effect.

The 84 officials who participated in the OAS visit were from Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, the United States, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Dominican Republic and Venezuela. McComie said that the resolutions adopted by the OAS General Assembly in Cartagena, Colombia, last month invigorated the organization and can be described as the "miracle of Cartagena" because prior to the holding of the meeting, nobody thought the objective of the meeting would be achieved.

One big step forward was the recognition that relations between states in this hemisphere can only be satisfactory so long as the member states themselves are governed by democratic governments, and this was inserted in the Charter as one of the basic principles of the Organization of American States, he stated. McComie later said that another relevant accomplishment noted at the General Assembly was the ending of the veto that was promoted by countries with territorial disputes regarding who could and could not obtain OAS membership. The organization recovered its full sovereignty over its membership, and that sovereignty is not conditional, and that the existence of any territorial difficulties is separate from the issue of membership.

McComie also indicated that important progress was made in the area of peaceful solutions to controversies. He recognized that one of the more serious obstacles to the validity of the Pact of Bogota for peaceful solutions is the fact that in a dispute, both sides must agree to bring their controversy to the OAS arena. However, he said that this situation had corrected itself due to the inclusion in the Charter of an arrangement which permits either party to take their case to the OAS Permanent Council, which will offer its good offices to the litigants involved.

Another important step, said McComie, was the strengthening of the secretary general's authority. The secretary general now also has the authority given by the General Assembly and the Charter to bring to the attention of the Permanent Council any matter which in his opinion may be considered a threat to the peace in the hemisphere, or a situation that may require a peaceful settlement approach, or any question related to development. In the area of human rights, he indicated that there is now a recognition throughout the hemisphere that if we have to insist that representative democracy is to be the rule, then the basic human rights of the individual becomes the most important question on which cooperation among states is determined.

GOVERNMENT TO REPAY OIL AGENCY'S DEBTS

PY290250 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1900 GMT 28 Jan 86

[Excerpt] Buenos Aires, 28 Jan (NA) -- Energy Secretary Conrado Storani today confirmed that the government will meet Government Oil Deposits' (YPF) liabilities and said that "as of now, the company's obligation is to increase its efficiency and its productivity." YPF's debts currently stand at $4.8 billion. The official admitted that this decision involves a very heavy burden for the state, and that "it is a crucial test for the economic team, which is in a very difficult situation."

Storani explained that the company's debts reached their current level because "the company never received the loans in dollars contracted from external sources in the past, because such loans were used for other purposes. However, they were entered as YPF liabilities." The decision to meet YPF liabilities was reportedly made on 24 January during a meeting at the Olivos presidential residence. The meeting was attended by President Raul Alfonsin, Economy Minister Juan Sourrouille, Energy Secretary Conrado Storani, Finance Secretary Mario Brodersohn, YPF president Rodolfo Otero, and other officials.

RADICAL CIVIC UNION INVITED TO CUBAN CONGRESS

PY300017 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1607 GMT 29 Jan 86

[Text] Buenos Aires, 29 Jan (NA) -- A Cuban Embassy source today confirmed that the Communist Party of Cuba has invited the Radical Civic Union [UCR] to participate in its Third Congress that will begin in Havana on 4 February. The source also stated that the invitation has also been sent to other Argentine parties, such as the Peronists, Intransigents, Communists and other parties that make up the center left of the political spectrum. The source made it clear that the invitation had been made on a party-to-party basis and not through an emissary of Cuban President Fidel Castro, as was published in a press report. The source also denied that a Castro emissary had met with President Raul Alfonsin to talk about the stance that the Communist Party of Argentina [PCA] has adopted regarding the government.

A report published today in the newspaper EL CRONISTA COMERCIAL stresses that a Castro representative assured Alfonsin that Havana "does not support, nor does it approve of the stance that has been adopted by the PCA, which is one of radicalization regarding the government." After insisting on his denial that said representatives existed, the source maintained that the only person linked to the Havana government that met with Alfonsin was Hector Rodriguez Yompart, president of the National Bank of Cuba, and they talked about the bilateral economic relations between the two countries. "The international and Latin American political situations were discussed during the meeting, but the PCA was not mentioned."

CAPUTO MAKES OFFICIAL VISIT TO MOSCOW

For coverage of the visit by Argentine Minister of Foreign Relations and Worship Dante Mario Caputo to Moscow see the Latin America & Caribbean section of the 29 January Soviet Union DAILY REPORT and subsequent issues.

SARNEY, BETANCUR DISCUSS DEFICITS, TRADE

PY310228 Madrid EFE in Spanish 2342 GMT 30 Jan 86

[By Francisco Roque Bararreza]

[Text] Manaus, 30 Jan (EFE) -- Colombian President Belisario Betancur today made a dramatic description of the economic exploitation to which Latin American countries have been subjected and estimated the annual loss stemming from this exploitation at $104 billion. Betancur, who met here with Brazilian President Jose Sarney, said Latin American countries are losing this incredible amount as a result of the drop in prices of raw materials, of the reduction of Latin American exports, and of payment of interests on the $170 billion Latin American debt.

The two presidents met today in Manaus, in the heart of the Brazilian Amazon region, to intensify trade and to review topics of regional interest. In a joint press conference with Sarney, Betancur described as "bombs" the foreign debt and high inflation rates, which are threatening democratic, political, and social stability in Latin America. In a joint declaration, the two presidents endorsed the peace efforts undertaken by the Contadora Group, which they view as a regional effort aimed at allowing Central Americans to solve their own problems. In this regard, Betancur reported that the Contadora Group had asked Cuba and the United States to contribute to making the Contadora Group succeed.

The coffee issue was at the center of the 2-hour meeting held by the two presidents, Brazilian Ambassador to Colombia Rubens Ricupero said. According to Sarney, Betancur proposed that efforts be made to safeguard stability on the world coffee market, seeking fair prices for producers and consumers alike. Brazil and Colombia are the world's leading producers of coffee since their production accounts for 50 percent of world production.

Ricupero said the two presidents expressed interest in seeking a reasonable trade balance. Sarney recognized that for the last 5 years Colombia has not had a $1 billion deficit in its trade with Brazil, and announced that his government is interested in purchasing coal, probably petroleum, and agricultural products -- such as black beans -- from Colombia.

Betancur and his entourage arrived in Manaus at 1030 local time (1330 GMT) and departed for Leticia shortly after 1700 (2000 GMT). The presidents decided that the joint commission charged with seeking a trade balance between the two countries will meet in April in Bogota. The Antidrug Trade Commission will also be reactivated to promote a greater exchange of information to fight the drug traffic and production.

The presidents also discussed cooperation plans for the construction on Colombian territory of the airports of Mitu and Puerto Inirida, the enlargement of the Leticia airport, the construction of a shipyard in Leticia, and the establishment of the Saboya-Carare railway. The two countries will carry out agreements stemming from the Amazon Cooperation Treaty and emphasized their interest in the upcoming meetings to be held in La Paz and Quito.

Colombia and Brazil will support the OAS efforts to hold an inter-American conference on drugs in Rio de Janeiro in April. Finally, the two presidents decided to intensify cultural cooperation between their two countries.

INCREASE EXPECTED FOR BRASILSAT INSURANCE

PY301622 Rio de Janeiro O GLOBO in Portuguese 29 Jan 85 p 21

[Text] Brasilia -- The explosion of the Challenger space shuttle could make it impossible to launch the Brasilsat II communications satellite scheduled to go up in mid-March this year. Romulo Villar Furtado, secretary-general of the Ministry of Communication, emphasized that the cost of insurance will go "sky-high." In order to put its second domestic satellite into orbit, Brazil would have had to pay approximately $30 million, that is, 353.58 billion cruzeiros, to a consortium of insurance companies. This is 30 percent of the cost of the project or twice the amount spent to launch Brasilsat I, 1 year ago. The Challenger accident is bound to push up the price of insurance even higher.

Fifteen years ago the insurance companies used to charge 4 or 5 percent of the total cost of space projects. When Brasilsat I went up 1 year ago from the Kouru base in French Guyana, insurance premiums had already gone up to 15 percent of the value of the satellite and the rocket. Recent accidents with the space shuttles, Columbia and Challenger, and the French Ariane rockets that carry the Brazilian satellites have prompted the insurance companies to double their premiums.

The Brasilsat I paid $15 million, 176,925 million cruzeiros, its overall cost being $100 million, to a "pool" [preceding word in English] of insurance companies headed by the Brazilian Reinsurance Institute (IRB). Brasilsat II cost the same as Brasilsat I but its insurance costs were expected to be $30 million.

Yesterday, after hearing about the Challenger accident, the secretary general of the Ministry of Communications had no information about the decision that will be taken concerning Brasilsat II. Although he admitted he was aware of an "absurd" upward tendency of insurance premiums, which could make the project unfeasible, he also mentioned that there was a way out: launch the satellite without insuring it. This decision, however, depends on an agreement with General Telephone Electronics (GTE), a private U.S. telecommunications enterprise that will be sending up its own satellite in the same rocket that Brazil has purchased.

AIR FORCE CHIEF REAFFIRMS SUPPORT FOR PINOCHET

PY300008 Madrid EFE in Spanish 1618 GMT 29 Jan 86

[Text] Santiago, 29 Jan (EFE) -- General Fernando Matthei, commander in chief of the Chilean Air Force (FACH) and a member of the Government Junta, today said that "there will be no dialogue behind Pinochet's back." In statements to the newspapers LAS ULTIMAS NOTICIAS of Santiago, the high-ranking FACH officer also stated that "the Armed Forces will never undermine the president's authority."

Some sectors opposing General Pinochet's regime think General Matthei would have been a "good candidate" for dialogue after Pinochet refused the possibility of considering a dialogue. Moreover, Matthei said today that it is "impossible" to think about a political dialogue without General Pinochet's ideas being taken into account. Matthei, who was consulted about the 1989 presidential succession that is provided for by the Constitution, stated that it will not be changed and he said. "I do not know why this concern exists, there are still 4 years ahead of us."

U.S. LINKS LIBYA, SURINAME TO LOCAL TERRORISM

PY291814 Santiago Domestic Service in Spanish 1630 GMT 29 Jan 86

[Excerpt] Libya is reportedly giving financial support to Chilean terrorist groups and leftwing parties. This information was disclosed by U.S. intelligence officials. The sources also stated that Libya is reportedly using Suriname as an operations base in South America and the Caribbean.

EXILED RADICAL LEADER MIRANDA ARRIVES

PY302329 Santiago Domestic Service in Spanish 1630 GMT 30 Jan 86

[Text] Exiled former Radical Senator Hugo Miranda Ramirez today arrived in Chile from Mexico where he lives. Miranda was authorized by the Interior Ministry to stay in Chile for 8 days. The decision to let him return was made for humanitarian reasons because Miranda's mother, Flor Ramirez, is seriously ill and hospitalized at the intensive care unit in La Serena hospital. Miranda went from Commodore Arturo Merino Benitez Airport to Los Cerrillos Airport to board an airplane that transported him to the 4th region.

M-19 USED VENEZUELAN ARMS IN PALACE TAKEOVER

PA310439 Paris AFP in Spanish 0357 GMT 31 Jan 86

[Text] Bogota, 30 Jan (AFP) -- In a clandestine document sent to the press, the Colombian guerrilla movement 19 April Movement [M-19] today disclosed that the weapons used during the bloody occupation of the Palace of Justice in Bogota in November were purchased from the Venezuelan Army.

In the communique, Alvaro Fayad, commander of the M-19, also denied the statements made by U.S. Secretary of State George Shultz who said that these weapons were supplied by the Nicaraguan Sandinist regime.

"The U.S. State Department must know that we have enough weapons that were recently and previously purchased from the Venezuelan Army, and that the Venezuelan Army government-issue weapons circulate quite freely along the border in Cucuta and Maicao," said Fayad.

Fayad also stated that during the occupation of the Palace of Justice the M-19 committed military mistakes because 7 of the 42 members of the attack group were not able to enter the building to consolidate the defense of the main floor and the basements. The antitank mines, he added, failed to explode.

In addition, he rejected the charges presented by Justice Minister Enrique Parejo that the action was executed with drug traffickers support in order to entangle the extradition processes of Colombians accused of this crime that is required by the United States.

He recalled that the M-19 has always opposed any Colombian being tried by foreign courts or serving sentences in faraway prisons. Furthermore, he advocated the creation of a Bolivarian rebel military force based on the Colombian National Guerrilla Coordinating Board, which includes the dissident and Communist Ricardo Franco Front and the indigenous Quintin Lame front.

It is worthwhile to mention that rumors have circulated over the past few weeks about a recent guerrilla summit meeting in the Cauca mountains in Colombia's southwest in which Peruvian, Panamanian, Ecuadoran, Venezuelan, and Nicaraguan extremists participated to form the so-called America Battalion. Apparently, some of its members have already gone into action in the region.

Finally, reiterating the M-19's willingness for a dialogue, Fayad said that his movement is open to any peace proposal, "any proposal that entails reforms and change for the good of the majorities." After this, he appealed for the formation of a consensus of majorities "interested in a change with justice."

COOPERATION, TRADE AGREEMENT SIGNED WITH USSR

PA291749 Hamburg DPA in Spanish 1833 GMT 26 Jan 86

[Text] Bogota, 26 Jan (DPA) -- After 3 days of negotiations in Moscow, Colombia and the USSR have signed an agreement for technical and scientific cooperation and trade.

Colombian Minister of Economic Development Gustavo Castro Guerrero met in the Soviet capital with Soviet Minister of Foreign Trade Boris Aristov and with Petr Yakovlevich Kochelev, deputy chairman of the State Committee for Foreign Economic Relations.

The document signed, released today in Bogota, analyzes the trade between the two nations in the past 2 years (when Colombian exports increased from $18 million to $26 million) and compliance with signed contracts, particularly for the supply of turbines for the Urra hydroelectric plant in northwestern Colombia.

According to the documents released in Bogota, the USSR will export tractors and farming machinery, equipment for thermoelectric plants, oil tanks, turbopunches [turbo perforadores], coal extraction equipment, polygraph equipment, machinery, tools, and other items to Colombia.

Regarding scientific cooperation, it was agreed that a Colombian delegation will visit the USSR to study the possibilities of cooperation in the areas of nonconventional transportation, science and technology planning, basic sciences, and the prediction of seismic movements.

CNG ANNOUNCES EXPULSION OF RICARDO FRANCO FRONT

PA292256 Bogota EL TIEMPO in Spanish 23 Jan 86 p 12 A

[Communique issued by the National Guerrilla Coordinating Board, CNG, in "Colombia," in January]

[Text] For life and freedom. With indignation, sorrow, and solidarity with hundreds of relatives of the people's combatants, and National Guerrilla Coordinating Board, CNG, emphatically rejects the explanations given by Javier Delgado for the Cauca killings. Delgado and his group, using the weak argument of investigating an infiltration, have besmirched human dignity. Some 100 revolutionaries have been killed and tortured and countless atrocities have been perpetrated against them.

These facts and the approach given to them run contrary to revolutionary purposes, morals and conduct, and resemble the procedures of the oligarchy and its military forces and intelligence services. They have also done great harm to the people and their guerrilla forces. The CNG condemns these acts unmitigatedly, rejects the justification given for them, and irrevocably and definitively expels the Ricardo Franco Front from the CNG. The CNG takes this opportunity to urge the companeros of the Ricardo Franco Front who disagreed with and condemned such procedures, to further disassociate themselves from such procedures and to continue in the revolutionary struggle.

Never, and with no pretext or justification, can leftists use torture. The leaders or commanders cannot decide the fate of the people with no controls at all and at their free will. Prisoners of war deserve treatment that is very different from the customary treatment given to them by the Colombian potentates and their Army. We have won over the masses through education and never through coercion, terror, or the imposition of weapons. There is a radical difference between revolutionary morals and behavior and that of the dominant classes. The truth, not lies, is our weapon. Therefore, we neither hide nor minimize the serious and unforgivable crimes perpetrated by the Ricardo Franco Front.

When the oligarchy increases state terrorism, intensifies repression and stains all democracy, the guerrillas movement should move farther away from hegemony, cannibalism, the improper handling of conflicts, sectarianism and intolerance. Today, what has happened in the Ricardo Franco Fronts moves us to continue and to deepen the analysis of the causes of the problem.

This also demands the renewal of our appeal to the Revolutionary Armed Forces of Colombia, FARC, to participate in a dialogue and at the same time to put aside their hegemonism, imposition, disrespect for the other revolutionaries and practice of taxing the masses.

With our willingness to give our own lives for a new society, national independence, democracy for the people, and the elimination of so much exploitation, we are struggling for life. The revolution is the future and happiness. The revolution is never the sadness and delirium represented by Javier Delgado. The system we pursue is very far from the atmosphere of terror, violence, anxiety, and injustice presently existing in the fatherland. The oligarchy, on the contrary, represents the past and death. Its scorched-earth policy, betrayal of the nation, unfair distribution of land and wealth, starvation wages, unemployment, militarization of the national life, and the disappearances and murders of popular leaders, represent death, never life. Unity is part of our victory.
National Guerrilla Coordinating Board: for the Quintin Lame Command, the High Command; for the Revolutionary Workers Party, the National Directorate; the the 19-April Movement, Alfaro Fayad; for Free Fatherland, the Superior Command; for the Popular Liberation Army, Ernesto Rojas; for the Army of National Liberation, National Directorate.
Colombia, January 1986

SURPRISE OPERATION RESCUES KIDNAPPED SOLDIERS

PA271329 Hamburg DPA in Spanish 1932 GMT 25 Jan 86

[Text] Bogota, 25 Jan (DPA) -- Colombian Army units carried out a surprise operation a few hours ago to rescue three soldiers kidnapped last Sunday by the National Guerrilla Coordinating Board in Cauca Department. According to official sources in Bogota, 1 soldier and 20 guerrillas died in this action. Colonel Eduardo Arevalo, Defense Ministry press spokesman, identified the three soldiers as Corporal Victor Montealegre and soldiers Mario Leonel Bastidas and Edgar Cipriano Flores. Arevalo said that soldier Dario Osorio Lopez was killed in the action. The rescue operation was carried out early yesterday in Alto de Paramillo, apparently when the guerrillas were presenting the three soldiers to foreign correspondents. According to unofficial sources, an unidentified and noncommissioned officer was also killed, but this could not be confirmed. Troops from the "Rifles," "Colombia," "Palace," and "Jose Hilario Lopez" Battalions took part in this operation. Since last Sunday they have been confronting some 1,000 guerrillas of the so-called "America Battalion."

It is not known what happened to the correspondents attending the press conference, which was held in a mountainous region of Cauca Department, where a large group of subversives were holding the soldiers. The rescued soldiers were taken by helicopter to Cali, where they will file a report today on the ambush in El Alto de Mendez, near Silvia village. A military patrol was attacked here last Sunday and nine soldiers were killed, among them a lieutenant; seven other soldiers were wounded. An Indian scout was also killed.

The guerrillas are led by Carlos Pizarro Leon-Gomez, Marcos Chalita, Alvaro Fayad, Libardo Parra and Gustavo Arias Londono, of the 19 April Movement, and by Peruvian and Ecuadoran guerrillas of the Tupac Amaru II and Alfaro Lives movements, a military source said. Mainwhile, military sources reported at noon today that clashes with columns of the National Guerrillas Coordinating Board, which are trying to advance to the Cauca Department area, are continuing. The guerrilla columns are estimated at more than 500 men. According to reports, among the guerrillas are members of the Alfaro Lives movement of Ecuador and of Shining Path and Tupac Amaru II movements of Peru, and possibly two U.S. citizens.

PENAHERRERA RETURNS FROM TRIP, COMMENTS ON ECONOMY

PA301254 Quito Radio Quito in Spanish 2300 GMT 29 Jan 86

[Text] Vice President Blasco Penaherrera Padilla and the delegation that attended the transfer of command in Honduras returned to the country today. Upon arriving in Quito, the vice president said that he held working meetings with the new Honduran authorities and that he completed a cultural and economic agreement with that country.

In addition, asked about the economic measures taken by the Monetary Board, the vice president supported them and said that such measures will serve to cope with the effects of the coming economic crisis due to the imminent oil price drop.

[Begin recording] [Penaherrera, in progress] ...has been designated president of the Monetary Board in recognition of his civic standing and achievements [words indistinct].

[Unidentified reporter] [Words indistinct] a new currency devaluation began yesterday. Will this entail new adjustments in the national development plan?

[Penaherrera] Of course. The president has felt that this measure is proper and timely in the framework of the coming critical situation due to an oil price drop. Regarding this, countries like Venezuela and Mexico, which have experienced similar economic situations, have already begun to set up measures, not only similar to ours, but even stricter. [Words indistinct] the measures adopted compensate the resulting negative effects of such a situation. The new tariff and the import of essential products for the economy are included in the new measures. This transfer of an important segment of the devaluation profit from exporters [words indistinct]. It shows indications of a strong recovery and, as a result, [words indistinct]. [end recording]

MINISTRY COMMUNIQUE MARKS PROTOCOL ANNIVERSARY

PA310212 Quito Radio Quito in Spanish 2300 GMT 29 Jan 86

[Press communique issued by the Foreign Ministry in Quito on 29 January]

[Text] On the occasion of another anniversary of the signing of the Rio de Janeiro Protocol, the Foreign Ministry reiterated the Ecuadoran Government's position to defend the Republic's territorial rights and pointed to its permanent objective to reach a just, peaceful, and honorable solution together with the Peruvian Government.

A cordial solution would consolidate the friendly relations that the Ecuadoran Government strives to maintain with the Peruvian Government, contribute to the development of the two countries, and upgrade the welfare to which their peoples are entitled.

Quito, 29 January 1986

POLICE BREAK UP MOPOCO LEADERSHIP MEETING

PY302310 Asuncion ULTIMA HORA in Spanish 30 Jan 86 p 10

[Text] The Mopoco [Popular Colorado Movement] this morning reported that uniformed and plainclothes police, carrying clubs, electric truncheons, and high caliber weapons, raided the house located at 876 Murillo Street, where the leadership of the movement was holding its usual Wednesday meeting. Waldino Lovera, the movement's president, said that "the Mopoco members were told to leave the house within a matter of minutes and return to their respective homes. We want to report this violation of the Constitution, which implicity guarantees the freedom to meet peacefully, as the Mopoco does," Lovera said. The president of the movement also said that "we want it known that the Mopoco has always acted openly, without violating the laws or government regulations, in accordance with the vocation for dialogue and peace that has always characterized the members of this organization. "We will not give up our campaign to pacify Paraguay and bring democracy to it as we have always promised," Lovera added.

PATRIA EDITORIAL CRITICIZES ELLIOTT ABRAMS

PY301551 Asuncion PATRIA in Spanish 30 Jan 86 p 7

[Editorial: "Perfidy Against Our Country"]

[Text] Before anything else today, we present our heart-felt condolences to the U.S. people and President Reagan for the tragic deaths of the astronauts of the Challenger shuttle on the 25th space mission. Having discharged this duty with brotherly sentiments, let us take up the topic of the day, which is disagreeable and forces us to use unusual language.

It should be easy to note that we do not attack, but defend ourselves, and that, for the sake of the nation's dignity, we must answer the fallacies and malicious statements by a State Department bureaucrat of dubious background who we are becoming suspicious of because of the obstinacy of his badly disguised animosity toward Paraguay.

Once again, the man in question is Under Secretary for Latin American Affairs [title as published] Elliott Abrams. We have already reported his sectarian treatment of everything pertaining to Paraguay, and we can now assert that because of his insistence on "errors" (which are nothing but prejudice and partiality), he has alienated the sentiment of the majority of democratic Paraguayans. In fact, because he is unjust, sectarian, and defamatory, Elliott Abrams has ceased to be persona grata for this majority of Paraguayans.

Mr Abrams resumed his game in an interview granted to journalists on 17 January. His interview was televised via satellite so as to emphasize the David-and-Goliath character of this duel. Such was the sophistication of the technological means at his disposal for the attack compared with the means available to us for our defense. But if this difference can be overcome with truth and conviction, we do not have to worry, because it has been said that one can always lie, but one cannot always deceive the whole world. So, we have nothing to fear if the truth is told.

According to a report from the U.S. Information Service, Mr Elliott Abrams mentioned Paraguay among the "largest obstacles" to the region's democratization. This statement alone, related to another that we will point out later, reveals a sectarian and biased view, which we publicly denounced before the honest conscience of Paraguayan democrats.

We are not going to resort to provocations as Mr Abrams did, not even by recalling comparisons that we reject as false and unwarranted. We will only proclaim to the world that in Paraguay, neither President Stroessner, nor his government, nor the Colorado Party, nor the Armed Forces, nor the participating democratic opposition "resists democratization." They have rather built democracy through a Constituent Assembly, a legitimate Constitution, and the frank participation of parties in the periodic referendums of the popular will. The United States might be "committed" to democratic transition in countries of Latin America not ruled by democratic regimes. This is not the case in Paraguay, however. We emphatically reject this false and stupid provocation.

In Paraguay, elective authorities are periodically renewed through elections, in which options and votes are pluralistic. Not only the legally recognized parties, but the smallest faction that has something to say, something to oppose, or something to demand, no matter how preposterous it might be, has access to the media through which the opinion of the public can be shaped to serve the nation's political interests. The most recent testimony of the amplitude with which that right can be exercised is the proposal for a "national dialogue." This proposal helped to discuss the rancor, the incompatibility, and the real intentions of the radicalized minorities and the extremists grouped in illegitimate pacts. They do not seek dialogue, because, fraught with prejudice and malice, they are only seeking a shortcut to bypass the active civic contest and obtain power through force or an opportune circumstance, which would make a mockery of the popular will. This is why they reject participation, elections, and membership in the democratic opposition. This is why they expend less effort in gaining supporters in this country than in finding accomplices abroad -- although in this instance we do not mean to pass judgment on Mr Abrams.

With such an approach and with such a tremendous mistake in evaluating completely different situations in Latin America, it is no wonder that the U.S. assistant secretary of state for inter-American affairs made another monumental blunder when he said: "Our ambassadors (theirs) are doing exactly what they are told to do; that is, maintain close contact with the democratic opposition so they will be able to know what is taking place in these countries, and also make it explicitly clear that we support democracy."

Limiting ourselves to our country, because we are not going to get involved with the others he mentioned, the gravity of the extreme position which Mr. Abrams takes in implicitly differentiating between what he considers "democratic opposition" and what he believes is not is obvious. If we take into account what happened here in Asuncion, things are complicated even further by what the assistant secretary said, because by holding meetings at the headquarters of the irregular opposition sector, despite the fact that this sector does not participate [in elections] and despite the fact that it seeks contacts and influence abroad, this political sector is qualified as "democratic." On the contrary, the other opposition sector, that which actively participates in the civic and political struggle, which is represented in Congress, in municipal councils and electoral organizations and whose leaders are "invited" to speak in "diplomatic territory," is disqualified as "undemocratic".

This is a strange way to "support democracy" by preferring those that seek to destroy it over all those who have sought to establish and implement it in a country that for many years experienced political instability and precarious institutional conditions.

With a little more good sense, it would have been easy for any observer to see that in this century in which there were about 30 governments, none has done more toward achieving political stability, normal institutional conditions and the true enforcement of the Constitution and the laws in Paraguay than the government of President Stroessner through the democratic basis of the Colorado Party.

Democratic pluralism has never enjoyed a longer run than it does today. It has been in force without exception since 1963 despite the plots of the minorities which have decided to abstain [from elections] and which do not represent the thinking, the feelings, or the desires of the Paraguayan people who aspire to live in peace, and to choose freely and participate and work in an environment of security and peace that will guarantee that they and their descendants will be able to enjoy what they have achieved with their toil and daily sacrifice.

That is the extent of the disproportionate aberrant slander in which Mr. Elliott Abrams has engaged with his ill-intentioned lies against our country, its government, and against the political reality our country is experiencing with no other motive than the sectarianism which is obvious because of the unforgivable omission of those essential factors that characterize and differentiate the present situation in Paraguay from others with which it is perversely compared, and the sectarian preference of the irregular anti-democratic and seditious opposition sector because of an attitude that is not aimed at gathering "information" but of "intervention" because it is selective and sectarian. But once again, the sin is in itself a punishment, because by saying that "we support democracy," he also granted support to the anti-democratic opposition which is one of the "greatest obstacles" to achieving a multi-party system because of its staunch opposition to democratization.

OPPOSITION LEADER FERREIRA SUPPORTS ACCORD

PY301148 Montevideo Radio Carve in Spanish 0000 GMT 30 Jan 86

[Excerpt] Blanco Party leader Wilson Ferreira Aldunate has said his party is willing to help in the search for an accord to overcome the serious problems our country is confronting. The Blanco leader, who today met President Julio Maria Sanguinetti, said there are issues on which his party and the Colorado Party will never agree. He said the president did not offer ministerial posts to him, and that the possible recomposition of the Cabinet with members of other parties is a matter of secondary importance.

Ferreira Aldunate said the president will begin a second round of talks in which specific proposals will be put forward. Parties will be asked to propose plans for implementing the president's idea. The Blanco leader advocated agreement with all the sectors and said that the major objectives must be to promote development in the industrial, agricultural, and livestock fields in order to reduce unemployment and increase the purchasing power of salaries.

[Begin Ferreira Aldunate recording] I believe there are matters on which we will never agree, because we are two different parties and, consequently, the way each of us sees the country and the model that each of us wants for our country differ. There are things on which all of us agree, even if only because they are in the Constitution. All of us profess an ideology that supports freedom and representative democracy. This may have sounded meaningless at other times, but it is very important now, after 12 years of darkness, when there was neither freedom nor democracy. All of us must prevent even the slightest possibility of again going through all that. Therefore, if the president asks for Blanco Party cooperation for an accord of this kind, I do not have to consult with my party to say yes, because the Blanco and the Colorado parties and the Broad Front have repeatedly expressed their willingness to cooperate. [end recording]

Ferreira Aldunate also explained how the accord is to be reached. [Begin Ferreira Aldunate recording] How are we going to reach the accord? Well, we will try to reach the accord on the basis of premises which you already know: we will try to boost development within the agricultural and livestock sectors, promote industry, create new jobs, search for new markets, and sell our products abroad in order to alleviate the problems we are confronting. We will also try to create an atmosphere of confidence to attract investments, promote productive activities, and help create new jobs. [end recording]

FOREIGN MINISTER IGLESIAS VISITS ISRAEL

For reportage on the 4-day visit of Foreign Minister Enrique Iglesias to Israel, see the Israel section of the 30 January Middle East & Africa DAILY REPORT and subsequent issues.

LUSINCHI VIEWS OIL PRICE DISCUSSION AS NECESSARY

PA301847 Caracas Television Service in Spanish 1600 GMT 30 Jan 86

[Text] All is ready in Cancun for the meeting to be held at this Aztec seaside resort by the presidents of Mexico and Venezuela, Miguel de la Madrid and Jaime Lusinchi. This morning at the Miraflores Presidential Palace, the head of state swore in Dr Octavio Lepage as acting president.

[Begin recording] [Reporter Martin Pacheco, in progress] ...in Mexico, Dr Lusinchi will discuss all aspects of the energy situation at the international, and particularly the Latin American levels. On this topic, specific subjects such as market reductions, price adjustments, consequences of the crisis, and its impact on the negotiations for payment of both country's debts, which amount to some $130 billion, will take up the two leaders' time during the next few hours. On leaving Miraflores, the president pointed out the importance of his trip to Cancun.

[Lusinchi] I believe this trip is called for in the present situation, in case there is a need to make adjustments of any kind. In this connection, we made wide consultations in Venezuela, and I believe that even though there are differences of opinion -- and this is as it should be, this is positive, this is a sign of our democracy -- it is obvious that we have the backing of the great majority of our people in this quest.

[Pacheco] Before leaving the seat of executive power, the head of state pointed out the need for intensive and immediate work by both countries in defense of oil, which remains the pillar of their respective economies.

This trip to Cancun by the head of state is surrounded by great expectations. All political, social, and economic sectors at this moment support the trip, taking into account the fact that very important efforts are being made to stabilize worldwide oil markets, in which Mexico and Venezuela play a fundamental role. From the Miraflores Palace, this is Martin Pacheco, for the news. [end recording]

BRIEFS

PANAMANIAN, FRG AMBASSADORS -- Marcel Salamin and Hans Werner Loeck have presented their credentials to President Jaime Lusinchi. They are the new ambassadors to Venezuela from Panama and the FRG, respectively. [Summary] [Madrid EFE in Spanish 0243 GMT 29 Jan 86 PA]

DE LA MADRID BEGINS OIL TALKS WITH LUSINCHI

FL302316 Mexico City NOTIMEX in Spanish 2215 GMT 30 Jan 86

[Excerpts] Mexico City 30 Jan, (NOTIMEX) -- Cancun, 30 Jan (NOTIMEX) -- Today, Mexican and Venezuelan Presidents Miguel de la Madrid and Jaime Lusinchi began talks on the international oil market's crisis to coordinate cooperation of the two countries in oil policy matters.

President Lusinchi is accompanied by Ministers of Finance and Energy and Mines Manuel Azpurua and Arturo Hernandez Grisanti and Petroleos de Venezuela President Brigido Natera, who will meet with their Mexican counterparts Finance Secretary Jesus Silva Herzog, Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa, and Pemex director Mario Ramon Beteta.

According to Pemex director Mario Ramon Beteta, there is no oil price war. There is a difficult international market situation and, because of this, the two most important Latin American oil producing countries will have to establish a line of action.

The two heads of state's working agenda for today includes a first round of talks at the Mayan House and, simultaneously, delegations from the two countries will hold discussions and reach agreements.

The two leaders will remain in Cancun until tomorrow although no official event is scheduled.

ITALIAN VICE MINISTER ARRIVES TO DISCUSS TRADE

FL301659 Mexico City NOTIMEX in Spanish 0426 GMT 30 Jan 86

[Text] Mexico City, 29 Jan (NOTIMEX) -- Italian Vice Minister of Foreign Affairs Susana Agnelli has arrived today in Mexico on an official visit during which she will discuss trade relations between the two countries with government officials and a possible renewal of conversations by their joint commissions.

During her stay in the capital, Susana Agnelli will meet with the Under Secretaries of Commerce and Foreign relations, Luis Bravo Aguilera and Ricardo Valero, respectively.

When she was interviewed upon her arrival in this capital, the Italian official expessed the opinion that the threats of Libyan leader Mu'ammar Al-Qadhdhafi are quite dangerous but underscored the fact that, when terrorism is oral, governments have no reason for alarm.

Regarding the drop in the price of oil on the international market, Agnelli said that, if this situation continues, the world economic crisis will worsen, affecting mainly the financial structures of the developing nations that have to make debt payments.

The debt problem, she explained, is one of the matters that most worry the entire world because social violence may occur in debtor nations if no solution can be found.

Finally, the Italian vice minister exhorted creditor and debtor nations to reach an immediate understanding that will make it possible to speed up the economy and stimulate the exports of under-developed nations without affecting the interests of the creditor nations.

SILVA HERZOG REJECTS DEBT PAYMENTS MORATORIUM

FL301350 Mexico City NOTIMEX in Spanish 0440 GMT 30 Jan 86

[Text] Mexico City, 29 Jan (NOTIMEX) -- Mexican Secretary of Finance and Public Credit Jesus Silva Herzog has said it is too early to talk of declaring a payments moratorium because of the fall in oil prices. He said it is necessary to acknowledge and understand the problems facing us, and added that Mexico is capable of facing any challenge.

When he was interviewed at Mexico City International Airport upon his return from participating in the financial seminar held in London, the finance secretary said that the Federal government has adopted the proper financial measures for the country, for which reason there is no possibility that the course of our economy will change.

When he spoke of the international financial meeting he had attended in Great Britain, Silva Herzog said that, at the meeting, the international financial institutions had a clear understanding of the problems Mexico has to face because of the drop in oil prices.

Silva Herzog said that, at the seminar, he had had the chance to speak with British banking officials and with officials of the British Government and exchange points of view on the future financial needs of the Mexican republic.

BRIEFS

COCAINE CONFISCATED -- Jose Luis de la Garza, a crewman of the Royal Princess cruiseliner, was arrested in Acapulco by the Federal Judicial Police. De la Garza had disembarked with some 50 kg of pure cocaine. The Royal Princess arrived in Acapulco port on 7 January at 8:00 from Balboa, Panama. En route it had stopped in San Juan, Puerto Rico; Santo Tomas, La Guaira, Venezuela, and Curacao. [Summary] [Mexico City EL NACIONAL in Spanish 8 Jan 86 p 6 PA]

PRD LEGISLATOR CLAIMS NATIONAL 'DEMOCRATIC FARCE'

PA291708 Panama City LA PRENSA in Spanish 29 Jan 86 p 24

[By Jose Quintero del Leon]

[Excerpts] Panamenist Party legislator Marcos A. Alarcon has told LA PRENSA that the governing party (the PRD) [Democratic Revolutionary Party] has been manipulating the opportunity of meetings between Panamanian legislators who have a commitment to this country and representatives of the U.S. Government, including congressmen, so that, generally speaking, the Panamanians have never been able to denounce the situation that the country is enduring as a result of the "democratic farce" that exists here, of the waste, of the continuous violations of human rights, and of the corruption that prevails at the administrative level.

The legislator, who is also a teacher, delivered a polemical speech during a meeting with U.S. congressmen. He charged that we live in a democratic farce and that human rights are being violated in Panama. He also charged that the corruption in the government could have effects on the management of the canal.

In his opinion, the meeting was positive because it allowed the opposition legislators the opportunity to denounce and to inform the U.S. congressmen about some of the political aberrations that exist in the country which would be camouflaged by the legislators of the governing party if it were up to them to discuss the issue, since they always try to give to U.S. representatives the image of a Panama that is the equivalent to an oasis of freedom, respect for human rights, and democracy.

U.S. GOODWILL, ASSISTANCE, MANEUVERS QUESTIONED

PA291929 Panama City LA REPUBLICA in Spanish 28 Jan 86 p 4

[Joaquin Beleno column: "Maneuvers and Maneuverers"]

[Excerpts] The strategy of carrying out military maneuvers near countries that do not have the approval of the Pentagon and the White House is more significant at this moment when the U.S. Navy has been deployed within the 200-mile limit of Libya, as it has been occurring also off the Nicaraguan coasts and in Honduran territory with the participation of Honduran and U.S. troops.

In Europe, the EEC -- which is composed of the most important industrialized countries of that continent, countries that are allies of the United States -- has not followed Reagan's instructions to impose sanctions on Libya. In America, there are countries up to their necks in debt. Will they be brave enough to reject Reagan's instructions against the people of Nicaragua?

The Latin American population grows constantly and it is constantly growing poorer. However, Reagan and his followers are doing increasingly less to help resolve the economic problems of "their friends" and allies.

Can we believe that the congressmen and senators coming to Panama to question our domestic affairs and to support the violations of the Torrijos-Carter Treaties have any goodwill?

COLUMNIST URGES INDIANS TO ACCEPT MILITARY ZONE

PA290418 Panama City CRITICA in Spanish 28 Jan 86 p 4

["Firing Line" column by Jose Franco: "Intolerable Defiance"]

[Text] I was deeply perplexed upon reading reports published in opposition newspapers in reference to statements made by spokesmen for Kuna Youth [Juventud Kuna], who allowed themselves to question the Defense Forces' right to establish the 12th Military Zone in the Kuna Yala Region, as wellas a branch of the National Bank, and to designate a mayor.

Independently of any negative behavior demonstrated by the Indians to justify this attitude which borders on defiance of our authorities and which goes against the letter and spirit of the National Constitution and the Panamanian state's principles of territorial integration, I believe that these dissident positions flagrantly threaten our legal structures and the Panamanian nation's physical unity, which cannot tolerate limitations.

The intentions that fully justify the installation of the 12th Military Zone in that Atlantic region could not be more praiseworthy and constructive, because they are aimed at fighting against clandestine immigration, promoting medical tours and massive vaccine campaigns, constructing a high school, providing transportation for teachers within the region, eliminating contraband, and fighting illegal drug trafficking.

Ninety percent of the military force that would be stationed in Kuna Yala would be Panamanians from that region, which will contribute to increased respect for the region's culture and traditions, and the idiosyncracies of its inhabitants -- who never before had an infrastructure of power capable of guaranteeing their interests -- as well as gradually including them in our political framework.

All of these arguments have been supported at different meetings between Major Luis Sanjur and Defense Forces officers with Indian spokesmen, by Legislator Arcadio Martinez, who has considered the benefits of the projects put forth by the national government from the civilian and military viewpoints, which makes him deserving of our consideration because this is the way all responsible citizens should behave.

PEOPLE'S PARTY URGES GUARANTEE OF CANAL TURNOVER

PA280441 Panama City ACAN in Spanish 0247 GMT 28 Jan 86

[Text] Panama City, 27 Jan (ACAN-EFE) -- Panamanian communists have proposed the creation of a "national army" to defend the country's interests and guarantee the United States' withdrawal from the Panama Canal.

During the closure of the communist People's Party national congress held in this capital, the political faction's secretary general stressed that "Panama must not allow any of the United States' excuses to prolong its presence in our national territory."

The communists' thesis is that when the time comes for the canal administration's turnover to the Panamanian Government, which is set for 31 December 1999 by the Torrijos-Carter Treaties, the United States will try to prolong its shared control of the waterway. The secretary general of the pro-Soviet People's Party also said that Panama must comprise a "great democratic national liberation front with the Torrijist and anti-imperialist forces in Panama."

According to his figures, more than 500,000 [as received] persons and 300 delegates from all over the country attended the communist congress. In addition, the congress was attended by delegates from communist parties of the GDR, Costa Rica, Cuba, Guyana, Jamaica, Colombia, the Dominican Republic, Venezuela, Lebanon, the Soviet Union, Palestine, Japan, and the FSLN of Nicaragua.

During the closing ceremony, Soviet representative Mikhail Ponomarev praised the new goal of the People's Party -- to become "a party of the masses with power."

Likewise, Pedro Ross of Cuba reasserted Cuban solidarity with the Panamanian people's struggle "to evict the U.S. troops."

The People's Party Eighth National Congress, which started on 24 January, also praised the new Central Committee, which will carry out the new expansionist policy. The Panamanian communists participated in the 1984 general elections and appointed a presidential candidate, but they did not receive the necessary 3 percent of the vote to remain a political group after the elections.

Leader on Debt, Economy

PA290319 Panama City CRITICA in Spanish 28 Jan 86 p 11

[By Carlos J. Nunez L.]

[Text] Ruben D. Souza B., secretary general of the People's Party [PdP], said Sunday in a speech to close the PdP's eighth congress that the economic development of our dear Panama cannot be conditioned by blackmail attempts by financing sources that want to undercut that development along with the salaries and food supply of the Panamanian people.

Souza was unanimously reelected secretary general of the (communist) PdP at the end of 3 days of debates by 300 delegates, who discussed the central report and new tasks to be accomplished within the context of the Panamanian revolutionary process.

Regarding the delicate economic situation, Souza stressed the need for all underdeveloped countries to tackle the foreign debt problem jointly and expressed support for the summit scheduled for Panama City in August.

The same session of the PdP served as the setting to strengthen the ties of cooperation among progressive democrats as delegates from the Democratic Revolutionary Party, the Popular Broad Front Party, and the Panamenist Party, which make up the National Democratic Union, as well as representatives of Panama's left-wing parties and currents such as the Revolutionary Party of the Workers and Workers Socialist Party attended the closing session as special guests.

An important development at the international level was the presence of delegates of ruling communist parties like those of the USSR, GDR, and Cuba, as well as a delegation from the FSLN and representatives of Costa Rican, Colombian, Palestinian, Lebanese, Japanese, Guayanese, Jamaican, Dominican, and Venezuelan communists.

The PdP secretary general attached great importance to the Torrijist line and the fulfillment of the Panama Canal treaties, and criticized U.S. violations of the treaties.

GUATEMALA

SALVADORAN COMMERCIAL PLANE REPORTEDLY ATTACKED

PA302148 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 30 Jan 86

[Text] New reports were released tonight regarding an incident on the Salvadoran TACA International Airline that was beginning a flight from Guatemala City to Los Angeles, California at approximately 1900. The latest reports indicate that the plane was attacked from the ground 5 minutes after takeoff from La Aurora International Airport. There is no information on where the attack originated; however, sources linked to airport control said a bullet hit the plane as it was beginning its liftoff into the Guatemalan sky.

Previous reports had indicated that a firearm belonging to one of the passengers went off and wounded someone, whereupon the crew decided to return to the Guatemalan airport. The plane remained on an isolated part of the runway for a long time while the passengers were reportedly under investigation inside the plane. It is not known whether anyone has been arrested.

At 2130, the passengers were evacuated from the plane and taken to the Guatemalan Air Force installations at the airport, apparently to prevent the frustrated passengers from having any contact with the press. As of a few minutes ago, the TACA international plane was still at La Aurora Airport.

Police sources have refrained from providing information on this incident. Similarly, it has been impossible to locate authorities at TACA International in Guatemala City to obtain more information.

HONDURAS

ARMED FORCES CHIEF RESIGNS; RESIGNATION WITHDRAWN

Allegedly Cites Army Corruption

PA301351 Tegucigalpa Cadena Audio Video in Spanish 1217 GMT 30 Jan 86

[Excerpt] Entirely reliable sources have informed Radio America that Honduran Armed Forces Chief General Walter Lopez Reyes will tender his resignation before the National Congress. The reasons cited for the resignation are: a serious lack of discipline, corruption, lack of respect, the breach of military ethics by ranking Armed Forces officers, and shows of arrogance by subordinates. The Armed Forces chief will resign within the next several days.

Radio America's news department learned of the resignation yesterday. Entirely reliable sources confirmed the report this morning. One source said Lopez Reyes is disappointed over the arrogance displayed by his subordinates in the Army, which is the cause of a grave lack of discipline, corruption, lack of respect, and the breach of military ethics. Most of the Lopez Reyes' subordinates are aware of this situation, which takes away prestige from the Armed Forces. Lopez Reyes said he is disappointed and will resign within the next several days.

His assumption of the position of Armed Forces chief was a result of circumstances that arose after the current Armed Forces chief ousted his predecessor, General Gustavo Alvarez Martinez, from office.

At the time it was said that Alvarez Martinez' tenure as Armed Forces chief was leading the country toward perilous situations, while the Army preferred not to participate in actions that jeopardized Honduras' future. A group of Armed Forces officers led by Gen Lopez Reyes staged a military coup, placing Alvarez Martinez in temporary confinement and later deporting him. The Armed Forces later claimed that corruption was rampant under Alvarez Martinez' tenure, and that actions in this regard ranged from misappropriation of Armed Forces funds to the staging of false operations that were reportedly beneficial for the Army, but that ultimately benefitted only Armed Forces Chief Alvarez Martinez and other ranking Army officers. After Gen Walter Reyes assumed command of the forces, a number of documents, particularly photocopies of stock issues [titulos de capital] that Alvarez Martinez had collected were brought forth. This alone justified the coup against Alvarez Martinez.

However, Lopez Reyes has apparently not garnered the support of all the Army's officers, particularly those who were loyal to Alvarez Martinez' leadership at the front of the Honduran Army. These officers have apparently never respected Gen Lopez Reyes, while continuing to display a lack of discipline, lack of respect and disregard of military ethics. They are all said to be ranking Armed Forces officers.

Political and diplomatic sources have remarked that those officers do not accept Lopez Reyes' leadership, though they did formally yield to institutional procedures that singled Lopez Reyes out as natural successor to the command of the Armed Forces. Lopez Reyes reportedly attempted to impose his authority as chief, but ran up against a widespread lack of discipline, which he considered a lack of respect and a breach of military ethics. The course who informed Radio America of this developmwnt said that Armed Forces chief Walter Lopez Reyes is determined to present his resignation next week.

Interviewed by Radio America

PA301443 Tegucigalpa Cadena Audio Video in Spanish 1250 GMT 30 Jan 86

[Telephone interview with Armed Forces General Walter Lopez Reyes by Cadena Audio Video News Director Rodrigo Wong Arevalo -- live]

[Text] [Wong] General, Radio America reported this morning that reliable sources informed us that you will resign because some of your Army colleagues have displayed arrogance and a lack of discipline and staged acts of corruption that discredit the institution and jeopardize its future. Can you confirm this report, sir?

[Lopez Reyes] Naturally. Good morning Mr Wong Arevalo and thank you. I want to say that I will indeed resign within the next several days. However, I want to deny all of the reports on the existence of a lack of discipline, and on corruption in the Armed Forces. On the contrary, the institution has advanced a great deal in this regard. I will resign strictly in response to personal reasons. I am tired, that is why I have made this decision. I do not believe there will be any sort of crisis in the Armed Forces. I can assure the people that the Armed Forces will continue to serve the country, while I will serve as an adviser to the General Command.

[Wong] Sir, this report has made a great impact on us because, since you assumed command of the Armed Forces, the Army has regained its lost prestige, respect, and credibility. People were optimistic that under your leadership the institution would change. That is why we find it hard to believe that the reasons for your resignation are simple, and that there are no deeper motives.

[Lopez Reyes] I appreciate what you have just said. However, the Honduran people must not lose faith in the Armed Forces. The officers' corps will continue unchanged. We made a radical change in the Armed Forces policy, which was well received by the people. There are capable units to continue our task. This must not cause surprise. Our personal decisions are not complex. I am being realistic. I will resign because I am somewhat tired and this makes me want to retire. However, I will always cooperate with the institution by placing my capabilities and experience at the country's disposal. We cannot totally set aside our ideals and character. However, I want to reiterate that there are very capable men in the Armed Forces who will be able to lead the organization toward commendable goals.

[Wong] General: We have followed your actions as Armed Forces chief and discovered that the radical changes you imposed were not well received by the other officers because some of them missed the bonanza -- if this is a good term -- they enjoyed under General Alvarez Martinez' command. Are the problems you have had with officers who were followers of Alvarez Martinez responsible for your decision?

[Lopez Reyes] No, sir. I repeat that that is not why I decided to resign. Mostof the officers have changed their attitude. They are concerned about the threats and dangers that loom over our country. In addition to having examined all these factors seriously, they are aware of the sacred mission vested in them by the Constitution. I can also assure you that they are aware that their duties transcend [2-second break in transmission] unity among them in order to fulfill their duty. Although it is true that problems may exist -- as they exist in any other organization -- they are not serious. All obstacles have been graudally overcome. You will see my resignation soon. I want it to be clear that there has been no pressure on me to abandon my position. I want to leave. I will offer all my ability and experience to assist my comrades-in-arms.

[Wong] There is one important factor we cannot ignore, General. When you assumed the command of the Armed Forces, there was even a change in the foreign policy of the civilian government. When Alvarez Martinez was chief, Honduras was subservient to U.S. interests, which led Honduras to yield in problems it had with El Salvador and Nicaragua. We were unable to complete the border demarcation process with El Salvador because the United States imposed on us the establishment of a training center for Salvadoran soldiers. Regarding Nicaragua, Alvarez Martinez favored in the idea that Honduras be used as a springboard to launch an invasion against Nicaragua. You changed this. The Army assumed a more dignified stance in its relations with our traditional ally, the United States. With regard to Nicaragua, you never favored the idea of invading Nicaragua. Have there been international pressures against you?

[Lopez Reyes] No, that can be ruled out. I do not want to go into this very deeply, however, because my country's interests are at stake. The changes we made were planned to benefit the nation. It was a joint effort with members of the Foreign Secretariat, the administration, the executive branch, and the Armed Forces. They responded to serious analyses that sought to prevent abrupt changes. The results have benefitted Honduras. There have been no domestic or foreign pressures to force to me to resign.

I will be able to say more in the future. Nevertheless, I do want to say that I believe our country is on the right track. Hondurans are more aware each day that national unity must be effective and positive. If an administration or specific institution faces opposition, that opposition must be constructive. Our country cannot continue as it was during the last decade.

I prefer not to go into the conclusion of various agreements in the past because these are things of the past. We are optimistic about Honduras' future.

All Hondurans must work not only 8 or 10 hours a day, but devote more time to our country. However, with regard to the Armed Forces, I believe there is general consensus that its current policy must be continued. We must be strong in the face of adversities and show the world we are a truly independent nation. We must devote the best of our abilities to our country.

[Wong] I would like to comment that we were chatting several days ago here at the radio station and agreed that sometimes our radio reportage made us look bad because we constantly praised your performance as Armed Forces commander. We feared that this constant praise for you and your performance could backfire and make you feel like and become a military dictator, like Alvarez Martinez sought to be. However, we were wrong. Our praise helped you balance your thoughts and your actions. We see that on the contrary, you do not feel you are indispensable and you are preparing to retire at a time when the country needs an objective person like yourself at the head of the institution. We ask ourselves if your successor will understand the crises that will emerge during this administration. This government is politically weak and needs strong support like the support you afforded the Suazo Cordova regime in the crisis which took place last April and May. Will your replacement be aware of his responsibility?

[Lopez Reyes] I appreciate your words, Mr Wong Arevalo. I learned that the best way to act was with the people's interests in mind. This must always be done with humility. I saw all the recognition for my work as being personal accomplishments, [as heard] but also as the work of a humble, common man who received promotions and medals as a result of his efforts to serve his country. I wish to add that during my tenure as commander in chief many people have learned to act in that way. They have understood that meterial gains do not fulfill men. We are trained to fight, but we do not seek battles. We fight when we must defend an ideal or the country's interest. My teachings were assimilated by an overwhelming majority of the Armed Forces personnel. We acted correctly to serve the people in times of crisis. Many of my possible successors possess these qualities. They will have to learn to tolerate criticism, which in my case I always received as food for thought. Now all the members of the Armed Forces use criticism to keep their actions in check. It guides us.

[Wong] That is correct, sir. We are aware that when we criticized the Army on the way it was recruiting youths, you called us to a meeting and for the first time in many years the press realized that civilians and military could work together. You asked us to cooperate with the recruitment process and we did, because we were all acting in a civilized manner. However, some military leaders do not behave like you do. We are concerned that your successor will not be adept at political affairs. You have tested the Army in a time of crisis when civilians were forcing the military to assume power. However, the Armed Forces' behavior was exemplary. You asked politicians to calm down and act wisely and patriotically. You asked politicians to calm down and act wisely and patriotically. You asked them to show love for the country in the way they were to resolve the institutional crisis. Your address before the National Congress to guarantee that constitutional rule would be respected was widely commented around the world. We are concerned that the new Armed Forces chief will not be as wise as you have been.

[Lopez Reyes] I believe that there should be no great concern over this aspect. I can assure you that my successor will be an officer who will have the same capabilities and qualifications of a good leader. We are aware that only freely-elected governments that reflect the people's will can lead the country to better times. We are also aware that the government needs unconditional support, in order not to stumble. We also can see this in the people's attitude, as the people have also become aware that the best way to resolve our problems is in a civilized manner. We have laws which must be obeyed in order to guarantee law and order in all fields.

There is no doubt that our country is heading toward a better future; however, in order for this to be possible, there should be an awareness within the various social groups in our country because it is very unlikely that we can come out of this difficult situation through violence. We must analyze everything surrounding us; we must realize that our foreign policy has become stronger, but that internal crises weaken our position. I would like to stress again that whoever is appointed commander in chief will have the advice of many officers who are convinced that the best way to proceed is according to the law. In any event, those of us who will assume other functions will be ready to give our advice whenever the new commander in chiefs call on us. We will be more than willing to share the experience we have acquired throughout these years.

[Wong] Now, General, the establishment... [changes thought] President Azcona's government was the product of a quite unique election in which the faction with the most votes within the winning party wins the elections. This has led Azcona to sign a pact with the National Party of Honduras' [PNH] Callejista faction. Do you think this way of structuring the government has been advantageous or disadvantageous for the country? Do you think this will be a weak government that will always require the Armed Forces support?

[Lopez Reyes] I would prefer not to enter into the political field, as this field is banned to us. This has been part of the changes in the Armed Forces' philosophy and policies. However, I must say that any government must have that support. There might be crises -- I do not foresee any serious ones, but there might be -- and, logically, any government will require that support, and the Armed Forces must give the government its unconditional support.

[Wong] I asked that question, General, because I wanted to get to this point: Some national and international observers believe that the government structures are weak, that we do have a weak government, which has made it necessary for President Azcona to sign a pact with the PNH, which includes his most powerful rivals. Is it likely that at a given time this government set-up could weaken due to the politicians' sectarian and personal over-ambitiousness, which could lead to a coup d'etat during the next government term? Also, is it possible that considering this possibility you may have resigned in anticipation of it?

[Lopez Reyes] No, up to this moment I have not visualized such a situation. I repeat, we have thoroughly analyzed the political situtione; however, we cannot divulge our conclusions, as they must remain within the Armed Forces. Now, how weak or strong a government may be -- on account of its political foes, or the over-ambitiousness of the government's collaborators, or members of the opposition -- can be controlled in time. Political organizations must undergo some changes and must become more aware of what is dangerous for the country.

I consider it necessary to mention on this occasion that coup d'etats will not help us pull our country forward. Anyone heading the government after a military coup will have the same problems: a strong opposition, discontent. This would make us go back many years, as force would prevail over intelligence. Thus, we Hondurans should realize every that we must support the people's will. If politicians signed such a pact, the results are there. Our government has been internationally recognized, and it has been recognized that our country has made firm steps toward democracy. What we must do now in order to consolidate that system is to implement all those projects that will benefit our country's development.

[Wong] Now, you have said that your resignation is because of simple reasons.

[Lopez Reyes] Yes, sir.

[Wong] I would like to ask you, General, has the presence of politicians such as President of Congress Carlos Montoya, who strongly accused military chiefs of being involved in scandalous actions such as the handling of foreign exchange at the Central Bank, bothered the Honduran Armed Forces?

[Lopez Reyes] Well, we sent a letter to Carlos Montoya, to which he replied in a satisfactory manner. I repeat, dialogue has always been the best way to resolve this kind of problem. Although the matter was not handled in a personal manner, we are convinced that there is willingness to get closer to the military institution, to get more acquainted with each one of its officers and soldiers, as we are also common citizens. If there was any disharmony at any time, it was temporary. We are all Hondurans, and we believe that there are much more serious problems requiring our attention, instead of getting into a polemic that could result in hard feelings.

[Wong] In this sense, could we say that the Armed Forces absolved Carlos Montoya of his statement?

[Lopez Reyes] Well, I would say that we cannot absolve anyone, as we are also Christians, and we believe that the only one to forgive is God. What really happened was that we did not want to further deteriorate Honduras' image and enter into a major conflict between someone who was a possible future president of Congress at that time and the Armed Forces. So, we were satisfied with his reply, and therefore the problem was resolved.

[Wong] The reason we assumed the Army forgave Carlos Montoya is the fact that it proposed Colonel Castro Arita -- who is Carlos Montoya's brother-in-law, and who was also a controversial person... [corrects himself] who took part in the recent controversy, when it was said that Montoya was not eligible for a deputy seat -- to head the Presidential Honor Guard.

[Lopez Reyes] Well, that is true. We sent our recommendation to the constitutional president, who selected the future defense minister, as well as the future head of the Presidential Staff. In this sense, the president selects someone with whom he believes he can work in harmony.

[Wong] Yes, General. However, the fact that Col Castro Arita was recommended for that position gave us the impression that the Army forgave Deputy Montoya.

[Lopez Reyes] Yes, but the selection was based on seniority. If you have an opportunity to review the list we sent to President Azcona, you will see that it was based on seniority. We could not list the names indiscriminately, and thus we considered the seniority. I repeat, the president is entitled to select those officers who will accompany him during his presidential term.

[Wong] One last question, General, and thank you for your kindness in answering us. Did you submit an ordinary or irrevocable resignation? If it was not irrevocable, there is the possibility that the Congress may ratify you, which would practically give you unanimous and majority support, although your time in the Armed Forces will end early next year, I believe. Please tell us, was your resignation ordinary or irrevocable?

[Lopez Reyes] Well, I am only presenting my ordinary resignation, because this is a process that is based on our laws. I submit my resignation to the Superior Council, which then analyzes and discusses it, and then sends it to the National Congress.

[Wong] What would happen if you are ratified?

[Lopez Reyes] Well, I would have to discuss this over with my comrades-in-arms as well as with the Congress itself because, I repeat, my reasons are strictly personal. I take this opportunity to tell the people that there is nothing to worry about, as there is no crisis in the Armed Forces. It is only that I want to rest.

[Wong] Well, the truth is that you have become a polemical person, even in sports, in which you participate as a baseball leader, as that is your favorite sport.

[Lopez Reyes] Yes, I will have more time for that now.

[Wong, laughing] On what team are you playing, General?

[Lopez Reyes] With the Air Force, as usual. I only play softball now.

[Wong] Very well. Thank you very much, General. You have been very kind in granting us this interview.

[Lopez Reyes] Thank you, also.

Urged To Withdraw Resignation

PA301710 Panama City ACAN in Spanish 1625 GMT 30 Jan 86

[By Armando Cerrato]

[Text] Tegucigalpa, 30 Jan (ACAN-EFE) -- Andres Victor Artiles, secretary general of the Confederation of Honduran Workers, today asked General Walter Lopez, commander of the Armed Forces, not to resign. This morning, Gen Lopez surprised the entire country with the announcement that he will resign in the next few hours because of personal reasons and because he is tired.

"The working class will meet, and has already asked Gen Lopez for an appointment to learn of the true motives for his resignation. In addition, we will personally ask him to remain in his post until the term stated by the law expires," Artiles said. The union leader indicated that "we will probably present a written petition to the National Congress so that it will not accept Gen Lopez' resignation."

He also said "the workers have found in the Armed Forces commander an intelligent interlocutor, with patriotic feelings, and good intentions for this country and its inhabitants; for this reason we are surprised and shocked by this decision to resign." The labor leader said "the virtues of the Armed Forces chief and his great vision of the people's needs have made possible the democratic consolidation and civilian transfer of power." He also recalled that "by initiative of the Army, headed by Lopez, the workers presented political alternatives backed by the Catholic Church that resulted in the resolution of the political crisis that threatened to unleash a civil war in the country."

Jorge Maradiaga, member of the Liberal Party and vice president of the congress, said the "congress will probably meet in emergency session because its next session was scheduled for 12 February." He also said he personally believes that "Lopez' resignation must be thoroughly analyzed by Congress and that if it is not submitted in an irrevocable manner, it should be rejected, and a means to convince him to stay should be found." Maradiaga noted that it was suggested that the chief of the Armed Forces should "rest and take a vacation like any other human being devoted intensely to his work so he can get rid of all the pressures he has been subjected to."

Analysts and people who called Tegucigalpa radio stations today after the resignation announcement said there is the impression that "big things within the Army are prompting Lopez to resign." Articles even said "he should not resign even if there are great pressures on him from his comrades-in-arms, because he must believe that he has acted professionally and patriotically for the country and for the benefit of the entire nation. If he wants a vacation, it could be granted him so he can rest."

Lopez ruled out what was originally said early today. It was reported that he "would resign because he discovered a lack of discipline, loyalty, and professionalism, as well as corruption in ranking officers." "This is not true," he said, "I am leaving because I am tired and because of personal reasons. I will continue talks with my comrades-in-arms for 2 more days. I am willing to help them once I have retired." He also said the Army is united, cohesive, and willing to meet its professional and constitutional duties.

Withdraws Resignation

PA311258 Tegucigalpa Voz de Honduras Network in Spanish 1221 GMT 31 Jan 86

[Interview with General Walter Lopez Reyes, commander in chief of the Armed Forces, by unidentified journalist on 30 January; recorded -- monitored in progress]

[Text] [Reporter] ...it has been said that your differences are with the fifth graduating class of officers. Is this true?

[Lopez Reyes] No, no way, None of the graduating classes have had big disputes. It is true that there are differences of opinions, but they are not so deep as to say that one or another graduating class has differences with each other or that one class wants to impose its view. That is not true.

[Reporter] I want to tell you that we are very happy you will continue to be commander in chief of the Armed Forces because you have established a new philosophy, a new democratic spirit in the military institution. We believe that under your leadership the Armed Forces will always walk side-by-side with the Honduran people. Do you have anything to add, Gen Lopez Reyes?

[Lopez Reyes] Thank you for your kind words. Believe me that they encourage us to continue with our attitude and rectitude. We will always be ready to defend our homeland's interests and will be alongside the people to defend their interests.

[Reporter] You will definitely not resign and will continue until January 1987?

[Lopez Reyes] Yes, if God permits.

[Reporter] Thank you, general, and excuse us for any inconvenience.

[Lopez Reyes] That is okay, I am at your service.

[Reporter] Good night.

ARMED FORCES COMMUNIQUE ON NICARAGUAN ATTACKS

PA310355 Tegucigalpa LA TRIBUNA in Spanish 30 Jan 86 p 30

[Communique issued by the Armed Forces Public Relations Directorate in Tegucigalpa dated 29 January]

[Text] Official Communique

The systematic Sandinist aggressions against Honduras continue to cost us many innocent Hondurans' lives. They attack, steal, loot, and murder within our territory with the aim of provoking the Armed Forces so that these actions will involve the whole nation in a war without limits, with the aim of expanding the communist system throughout all Central Amreica.

The Sandinist commanders have launched a series of attacks on Honduran towns in their efforts to expand communism, using different types of weapons under the pretext that they went to exterminate the subversive groups struggling to oust the regime.

These types of actions prove to the Honduran people that the Sandinist commanders emphasize terrorist actions on one hand while advocating peace on the other and trying to make the world believe that their terrorist acts are justifiable. However, in this case, the death of two innocent children and the critical condition of two others, who will be maimed for life, refute the commanders' boasts that they are defending a revolution that is rejected by the democratic world.

The picture we include are quite eloquent and show the Honduran people the bodies of the two martyrs for peace: Gonzalo Javier Arce Varela and Sandra Yamileth Arce, 11 years of age and 10 years of age respectively, son and daughter of Audon Varela Rivera and Benita Arce Varela. They died tragically on Saturday, 25 January 1986, in the town of Palo Verde, El Triunfo jurisdiction, Choluteca Department, as a result of a criminal action perpetrated by members of the Sandinist People's Army.

Tegucigalpa, D.C., 29 January, 1986; Public Relations Directorate, Honduran Armed Forces

CABINET, GOVERNMENT AGENCY HEADS ASSUME OFFICE

PA302316 Tegucigalpa Domestic Service in Spanish 1130 GMT 30 Jan 86

[Text] Government functions returned to normal after several secretaries and deputy secretaries of state took their oaths of office yesterday. Other officials took office in the various independent and semi-independent government agencies. The new administration hopes to expedite the government program established for the 1986-90 term. The government officials who were sworn in pledged to move the country's development forward by promoting priority projects first.

The secretaries and deputy secretaries of state who have already assumed their positions are:

The secretary of state for the Presidency, Celeo Arias Moncada, and his deputy Ana Joaquina Rodas Baca; the secretary of state for government and justice, Raul Elvir Colindres, and his deputy Romualdo Bueso Penalba; the secretary of state for foreign affairs, Dr Carlos Lopez Contreras, and his deputy, Guillermo Caceres Pineda; the secretary of state for defense and public security, Colonel Luis Alonso Cardona Macias, and his deputy Cornelio Sanchez Sandoval; the Secretary of economy and commerce, Reginaldo Panting Penalba; the deputy secretary for domestic trade affairs, Dario Humberto Hernandez; the secretary of state for public health and social aid, Dr Ruben Villeda Bermudez, and his deputy, Jose Trinidad Oqueli; the secretary of state for communications, public works and transport, Juan Fernando Lopez; the deputy secretary of state for public works, Bayardo Pagoaga; the deputy secretary of state for communications and transport, Alejandro Castro Ruiz; the secretary of state for natural resources, Rodrigo Castillo Aguilar; the deputy secretary of state for livestock, Jose Montenegro, the deputy secretary of state for agriculture, Luis Alonso Quezada; the secretary of state for labor and social security, Adalberto Discua Rodriguez, and his deputy, Neptali Montoya; the secretary of state for tourism and culture, Carlos Arturo Rendon, and his deputy Jaime Turcios; and the secretary of state for finance and public credit, Efrain Bu Giron. The deputy secretaries of state for revenue and public credit have not been appointed.

The following officials were also sworn in: The executive secretary of the Higher Council of Economic Planning, Consuplane, Francisco Figueroa, and his deputy, Rogelio Ortega; the executive director of the National Agrarian Institute, Mario Espinal; the secretary of state for public education, Elisa de Martines Pavetti; the executive president of the National Bank for Agrarian Development, Armando Erazo.

All these officials were sworn in yesterday.

The first meeting of President Jose Simeon Azcona Hoyo with the members of his cabinet will take place at the end of this week after each of the secretaries of state has familiarized himself with his new duties.

NICARAGUA

UNO'S CRUZ MEETS SHULTZ, DISCUSSES CONTRA AID

PA300421 Managua International Service in Spanish 0000 GMT 30 Jan 86

[Text] According to counterrevolutionary leader Arturo Cruz, military aid to Somozist groups could total between $35 and $100 million in 1986. Cruz made this statement in Washington after a meeting with U.S. Secretary of State George Shultz. Cruz, together with two other members of the phantom group called Nicaraguan Opposition Unity, UNO, namely Adolfo Calero and Alfonso Robelo, met with Shultz for 45 minutes in State Department offices. During the meeting, they discussed an alleged program for a provisional government publicized by UNO last week in Caracas. The program was designed by Washington in an attempt to justify the $100 million in aid for the contras that will be requested from the U.S. Congress.

FDN'S BERMUDEZ ON OBSTACLES, STRATEGY FOR 1986

PA290437 San Jose LA PRENSA LIBRE in Spanish 21 Jan 86 p 12

[By Oscar Leonardo Montalban]

[Text] Enrique Bermudez, commander in chief of the Nicaraguan Democratic Force (FDN) Strategic Command, which is fighting to overthrow the Marxist regime of Managua, told us during an afternoon in December 1985: "We are prepared to win; the year 1986 will be a year of achievements and victories for us."

In a ramshackle barracks somewhere in Nicaragua surrounded by commanders and a number of fighters, Bermudez added: "We have overcome enormous obstacles this year, but if it is God's wish that our allies decide to deliver all the war equipment to us, we might be home in 1986."

Choosing his words carefully, the FDN rebel military chief said: "I must admit that in the whirlwind of a war no one can predict the future, because none of us will live forever but... we will return." "We have been fighting for the past 6 years, we are fighting in 11 of the 16 departments of our country, we are relentlessly advancing to the south, toward the San Juan River.... We are on our way to final victory...."

Bermudez is a calm man, not too fond of publicity, who accepts criticism and reacts rapidly. He said: "We are conducting a gradual war. In November we downed two Sandinist helicopers, an Mi-8 and an Mi-24. This really hurt them. The pilot and copilot were Cubans, and I am in no position to assure that the rest of the crew were not also Cubans." "This we can confirm because our troops have scanning equipment and it is not difficult to listen to the pilots conversations. Besides, we have intelligence services in every area where the enemy is operating. "

Let me explain, Bermudez added: "These two helicppters are not the first ones we have shot down; we have destroyed others, but it was not until today that we could confirm 100 percent the Cuban internationalists' presence in the Sandinist Army." "The bodies were taken to Apanas, where there is a hospital run by Cubans to take care of their wounded. They also have a morgue, where they prepare bodies."

"The helicopters were shot down with SAM-7 missiles," Bermudez disclosed, "which we were forced to obtain because the nine dictators have been acquiring sophisticated arms not known in Central America until now, such as the BM-21, a deadly weapon with which they have been mercilessly bombarding the civilian population."

He said that "if the Soviets delivered the Mi-24 to the Sandinists it was for a reason. They have not done this with other countries of the Communist bloc, except those where they have some strategic interest or where they seek to consolidate positions to carry out their expansionism."

Referring to the strategy and the present status of the war in Nicaragua, Commander Enrique Bermudez said: "First, let me tell you that all wars are not the same, and second, this war cannot be judged by the number of planes, helicopters, artillery, tanks or cannons, but by other vital, indispensable factors." "In order to win a guerrilla war, an insurrectional war, you must have the people's support. We have 85 percent of the Nicaraguan people's support and with this weapon on our side, it is going to be very difficult to defeat us."

On the other hand, Bermudez added: "It is obvious that there is internal unrest in Nicaragua and repression is carried out everywhere, in the economic, political, social and even religious sectors." "No one ignores," said Bermudez, "the pressures and persecutions that the Marxist regime of Managua is exerting on the religious organizations, not only against the Catholic Church but against Protestant pastors and other ministers of God."

"It acts in the same manner against peasants and ethnic groups, especially in semi-rural or mountainous zones where there are no newsmen and no one can complain." "They have murdered a lot of peasants, missionaries, and believers." "Entire Indian communities have been transferred to concentration camps.

Some were transferred because they did not accept the communist regime and others because they do not agree with their atheist ideas."

When asked about the political situation, the chief of the FDN Strategic Command said: "That is another war we are winning. At international forums the Sandinists have been accusing the United States of supplying us with deadly weapons, but that is false. For almost 2 years we have not received any support from the U.S. Government. It was not until now that we have received the humanitarian aid, consisting of clothing, food, and medicine, mainly for the families of the fighters. Our military supplies are obtained from other sources that believe in the FDN cause, which is the cause of the Nicaraguan people."

"Regarding Contadora and its peace efforts, I say it is praiseworthy. However, I believe I have read statements by one of the foreign ministers of the group who said that Contadora is dead, but no one dares bury it."

Finally, Commander Bermudez said: "I want to tell Nicaraguans, especially the freedom fighters representing the Nicaraguan people's rebellion, that it is a disgrace to have to accept oppressive, enslaving regimes. If such is the case, death is preferable."

"I think that our suffering people must understand that we are not only fighting against a well-armed pro-Soviet army, but against enormous obstacles such as logistics, political treachery, enemies, and disinformation."

POLICE SUSPEND PCDN MEETING ON CONSTITUTION

PA282200 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 27 Jan 86

[Text] According to the Sandinist police, the open meeting on the future constitution of Nicaragua organized by the Democratic Conservative Party of Nicaragua [PCDN] in Catarina was suspended for lack of permission.

[Begin Clemente Guido recording] The Nicaraguan PCDN will vigorously protest the harmful interference of the Catarina authorities to prevent the celebration of an open meeting on the constitution here in this town. There was obvious obstruction on the part of the authorities, who demanded a permit to hold an indoor meeting. How are we to explain the changes to be made to the constitution and how are we going to explain the details of the new constitution or what the PCDN wants to insert into it if we are not allowed to get in touch with our masses? [end recording]

Clemente Guido said this is not an unusual measure. He added that some leaders of the Catarina police are always trying to hinder the work of the National Assembly.

COMMUNIQUE ON CUBA-USSR-ANGOLA TALKS REPORTED

FL301954 Havana Television Service in Spanish 1800 GMT 30 Jan 86

[Text] On 27 January 1986, talks between the USSR, Angola, and Cuba were held in Moscow. These talks dealt with certain international problems, especially the situation in southern Africa. We now offer you the tripartite communique issued after the meeting:

The parties stressed that to guarantee a substantial improvement in the international situation, it would be of decisive importance to carry out all the peace initiatives of the USSR directed at the United States, the other nuclear powers, and all the peoples of the world, the peace initiatives formulated by Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, in his declaration of 15 January.

It is pointed out that adoption of the Soviet program for the complete destruction of all nuclear weapons, of the measures to reverse the arms race on earth and prevent it in space, and other proposals would guarantee a change from the present confrontation to international detente, and would contribute to the creation of conditions to eliminate hot spots in different regions of the world, and to strengthening peace.

At the same time, the parties stressed that the new Soviet proposals are based on the principal of identical security for all, do not harm any nation's interests, and are mutually beneficial. The participants in the meeting stated their firm opposition to making the carrying out of world disarmament depend on so-called regional conflicts, and their opposition to using regional conflicts -- in accordance with the United States' new globalism concept -- to interfere in sovereign states and worsen the East-West confrontation.

Simultaneously, the parties emphasized the fact that the conflicts in various regions of the world threaten to cause global war, for which reason it is important to try to eliminate them through collective efforts, and through negotiations based on justice, and with absolute respect for the independence and right to self-determination of the peoples.

Special attention was given to examination of the situation in southern Africa, where the racist South African regime, supported by imperialism, with the United States in first place, has created and maintains a hot spot of grave international tension. It was noted that, during the time that has passed since the last tripartite consultations held in March 1985, the situation in that region of the world has not improved. Quite the opposite. Confronting the growing opposition of most of the population in South Africa to the inhuman system of apartheid, and intensification of the struggle of the Namibian people for its [words indistinct], the racist Pretoria regime has carried out bloody repressive measures in its own country and has intensified its aggressive acts against the neighboring independent states.

With the complicity of the United States in constant acts of aggression against the sovereign state of Angola, including direct action in support of the puppet National Union for the Total Independence of Angola (UNITA) group, the South African racists pursue the sinister goal of eliminating the progressive regime and converting this country into a vassal of South Africa and of international capital.

The United States is continuing its policy of constructive engagement with the apartheid regime, condemned not only by the international community but also by large portions of progressive U.S. public opinion.

During the conversations, the possible evolution of the Angolan situation was studied in light of the proposal of the U.S. lministration to provide help to UNITA, which would constitute an act of open interference in the internal matters of sovereign Angola.

Complying with the obligations contained in existing agreements, and in accordance with the resolutions approved in September and October 1985 by the UN Security Council, the USSR and Cuba call for a complete end to the aggressions against the sovereignty and territorial integrity of the People's Republic of Angola, and reiterate their solidarity with the prolonged and unselfish struggle of the Angolan people in defense of their independent political option.

The Angolan side manifested its gratitude to the USSR and Cuba for the internationalist aid they give the People's Republic of Angola to throw back the foreign aggression.

The parties ratified the fact that the hot spot that exists in the cone of southern Africa must be liquidated by political means, with complete renunciation of the policy of state terrorism and of intervention in the internal affairs of the nations of the area.

In this process, the United Nations plays an important part, as do the Organization of African Unity and the Nonaligned Movement. It was stressed that correcting this situation and achieving peace in this African region can be guaranteed only if the Republic of South Africa and the governments that support it -- principally the United States -- are willing to take into consideration the interests of Angola and of the people of Namibia, whose sole legitimate representative is the South-West African People's Organization [SWAPO].

The USSR, Angola, and Cuba emphatically condemn South Africa's attempt to legalize its colonial domination over Namibia through a puppet government. They believe that continued efforts are urgently needed, efforts aimed at achieving real progress in solving the Namibian problem through unconditional implementation of the 1978 UN Security Council Resolution 435 and other UN agreements that represent the only internationally recognized basis for its solution.

Likewise, they expressed their unvariable support for the fair struggle of the South African people under the leadership of the African National Congress, ANC, for dismantling the disgraceful apartheid regime. They also expressed their total solidarity with the demands of this heroic organization to lift the state of emergency, for the unconditional release of Nelson Mandela and all political prisoners, for elimination of the so-called treason trials and other political actions against the anti-apartheid fighters, for the ending of repression against Winnie Mandela and other patriots, for a lifting of the ban on the ANC, and for withdrawal of the Army and police from black townships.

The platform proposed by the Government of the People's Republic of Angola in September 1984, and the subsequent additions to it, which are universally recognized, continue to be a fair foundation to achieving a total agreement that would guarantee Namibia's independence, peace, and security in southwest Africa.

The Angolan Government's goodwill and readiness to resolve conflict in the region by establishing a dialogue based on a constructive and honorable foundation aimed at achieving peace and stability in southwest Africa were once more reasserted in the statements of Angolan People's Republic's President Jose Eduardo dos Santos made on 8 and 23 January. These statements indicate that as long as the apartheid regime exists in South Africa, it will constitute a serious threat to Angola and the rest of the independent southern African countries.

The parties emphasized that the Soviet-Angolan-Cuban talks held in Moscow to continue coordinating the actions of the three countries in defense of the independence, sovereignty, and territorial integrity of Angola and for a fair and equal settlement in southern Africa, were opportune and useful.

The exchange of views was held in a friendly, fraternal atmosphere of complete understanding. Taking part in the consultations were, on the Soviet side, Eduard Shevardnadze, CPSU Politburo member and foreign minister; Boris Ponomarev, candidate Politburo member and secretary of the CPSU Central Committee; Marshal of the Soviet Union Sergey Sokolov, CPSU Central Committee candidate member and USSR defense minister; Oleg Rakmanin, CPSU Central Committee member and first deputy chief of a CPSU Central Committee department; Marshal of the Soviet Union Sergey Akhromeyev, first deputy defense minister of the USSR and chief of the General Staff of the Armed Forces; L. Ilichev, CPSU Central Committee candidate member and USSR deputy foreign minister; R. Ulyanovskiy, deputy chief of the CPSU Central Committee International Section; and A. Kalinin, USSR ambassador to Angola.

For the Angolan side participants were: Jose Maria Tonha (Pedale), member of the MPLA-Labor Party and Angolan defense minister; Alexandre Rodriguez (Quito), member of the MPLA-Labor Party and Angolan interior minister; (Lopo) do Nascimento, member of the MPLA-Labor Party Central Committee and Angolan minister of planning; Pedro (Bengoliba Fogeton), member of the Angolan General Staff Operations Directorate; and (Iko Kareyrra) candidate member of the MPLA-Labor Party Central Committee and commander of the Angolan Air Force and Air Defense.

On the Cuban side, participants were: Jorge Risquet Valdes, member of the Politburo and Secretariat of the Central Committee of the Communist Party of Cuba [PCC]; Lionel Soto, member of the PCC Central Committee Secretariat; Division General Ulises Rosales del Toro, first deputy minister of the Revolutionary Armed Forces of Cuba, chief of the General Staff, and PCC Central Committee member; Rodolfo Puentes Ferro, PCC Central Committee alternate member and ambassador to Angola; and Alcibiades Hidalgo, senior official of the PCC Central Committee.

SHULTZ, REAGAN MEETINGS WITH ANGOLAN REBEL SCORED

Savimbi U.S. 'Puppet'

FL302145 Havana Television Service in Spanish 1800 GMT 30 Jan 86

[Text] Nicaragua has strongly protested U.S. support of the Nicaraguan democratic forces' counterrevolutionary organization. The Sandinist Foreign Ministry sent a letter to the White House condemning the recent meeting between U.S. Secretary of State George Shultz and counterrevolutionary leaders. In the meeting, Shultz, in the name of the U.S. Government, expressed his total support for the group and said Washington will not renew bilateral talks with Nicaragua.

U.S. support of counterrevolutionary bands was evidenced by meetings with Jonas Savimbi, leader of the subversive Angolan group UNITA [the National Union for the Total Independence of Angola]. Shultz has already met with Savimbi, and U.S. President Ronald Reagan will meet today with Savimbi, who is a puppet for U.S. and South African interests.

The meeting between the highest U.S. hierarchy and Savimbi contrasts with the White House's indifference to the presence in the United States of South African Bishop and Nobel Peace Prize winner Desmond Tutu, who criticizes the repression of Pretoria's racist regime, which receives the assistance of the United States.

$300 Million Asked for Savimbi

FL310034 Havana Radio Rebelde Network in Spanish 0000 GMT 31 Jan 86

[Text] U.S. President Ronald Reagan has promised Angolan counterrevolutionary Jonas Savimbi that Washington will increase contributions financing the activities of UNITA [National Union for the Total Independence of Angola]. Reagan is pressuring Congress to approve $300 million in additional financing for Angolan counterrevolutionary groups.

Reagan met today with Savimbi, who has also met with the secretaries of state and defense. Savimbi's welcome to the United States contrasts with that given a few weeks ago to Anglican Bishop Desmond Tutu. Desmond Tutu, Nobel Peace Price winner and defender of the rights of South African people, did not meet with any high-level White House officials.

Threat to Frontline Nations

FL310221 Havana Television Service in Spanish 0100 GMT 31 Jan 86

[Text] U.S. President Ronald Reagan has promised Angolan counterrevolutionary Jonas Savimbi to provide more aid for the bands working against Angola. This support is a real threat, not only to Angola, but to all the frontline countries and for the independence of Namibia, which is legally occupied by South Africa.

CHALLENGER ACCIDENT 'WARNS AGAINST STAR WARS"

FL310210 Havana Television Service in Spanish 0100 GMT 31 Jan 86

[Text] Expecting to find something that would determine the cause of the Challenger disaster, a crew of hundreds aboard a U.S. naval aircraft carrier continued today the famous search for fragments. All this is being done to find the truth about the accident. Meanwhile, this year's flight programs have been suspended for the space vehicles Colombia, Discovery, and Atlantis.

According to specialists, Challenger's explosion is a warning against the so-called Star Wars program, because if weapons had already been in the cosmos, the space vehicle's computers would have activated them.

FOREIGN DELEGATIONS ARRIVE FOR COMMUNIST CONGRESS

Southern Africans Arrive

FL301602 Havana Radio Reloj Network in Spanish 1516 GMT 30 Jan 86

[Text] Invited to the Cuban Communists' greatest event, a delegation of the South African Communist Party has arrived in our country headed by (James Steward), National Executive Committee member, and (John Kadinek), Politburo member. Also arriving in our country was Andimba Toivo ja Toivo, the SWAPO [South West African People's Organization of Namibia] secretary general, who is heading a delegation. The visitors were welcomed at Havana's Jose Marti International Airport by Alternate Politburo Members Vilma Espin and Jesus Montane. Central Committee members Division General Raul Menendez Tomassevich and Brigadier General Luis Felipe Denis were also present at the Havana airport.

Uruguay CP Head Arrives

FL301520 Havana Radio Progreso Network in Spanish 1200 GMT 30 Jan 86

[Text] The secretary general of the Uruguayan Communist Party, Rodney Arismendi, has arrived in Cuba to attend the Third Congress of the Communist Pary of Cuba as a guest.

Representatives of three Bolivian political organizations who have been invited to attend the Third Party Congress have also arrived in Havana.

PRESIDENT GRANTS POLICE RETIREMENTS, PROMOTIONS

FL302110 Santo Domingo Radio Mil Network in Spanish 1000 GMT 30 Jan 86

[Text] Yesterday, President Salvador Jorge Blanco granted retirement to National Police Generals Carlos Antonio Ventura (civilian) and Dario Veras Grullon. The order is included in the Decree No 66-86 issued by the executive branch. Both generals were granted retirement for years of service with rights to a pension. With the retirement of Ventura (civilian) and Veras Grullon, the number of generals granted retirement by President Jorge Blanco since 16 August, 1982 amounts to 59.

With the same decree, the president promoted National Police Colonels Armando Garcia Fernandez and Rene Luna Perez to the rank of brigadier general. Likewise, Jorge Blanco promoted Majors William Lara Espinal and Rafael Del Socorro Payan to the rank of colonels. The promoted officials were sworn in yesterday in a ceremony held in the National Palace by President Jorge Blanco. Police Chief Major General Juan Rene Rodriguez Ortiz and Presidency Administrative Secretary Rafael Flores Lestrella were present at the ceremony.

PRICE STABILIZATION DIRECTOR RESIGNS 29 JANUARY

FL302332 Santo Domingo Radio Clarin in Spanish 1600 GMT 30 Jan 86

[Text] Former executive director of the Price Stabilization Institute [Inespre] Engineer Jose (Michelen) confirmed today that he will completely dedicate himself to political activities. During a press conference he granted today, (Michelen) said he will try to protect members who aspire to elected posts in 1986 from the Jorge Blanco tendency.

(Michelen) resigned yesterday from Inespre and President Salvador Jorge Blanco immediately replaced him with Mrs Rosa Arvelo de Mecina.

MAJLUTA APPOINTED PRD PRESIDENTIAL CANDIDATE

PA280204 Paris AFP in Spanish 0057 GMT 28 Jan 86

[Text] Santo Domingo, 27 Jan (AFP) -- Senate President Jacobo Majluta, who will be the presidential candidate for the government's Dominican Revolutionary Party (PRD, Social Democratic), was the surprise announcement made today by President Salvador Jorge Blanco.

President Jorge Blanco revealed that a "unity pact" between Majluta and the other candidate, Santo Domingo Mayor Jose Francisco Pena Gomez, ended the PRD's 63-day crisis concerning the designation of its presidential candidate.

The Dominican elections are scheduled for 16 May.

GRENADA

CUBAN-EDUCATED STUDENTS CLAIM DISCRIMINATION

FL310058 Bridgetown CANA in English 2226 GMT 30 Jan 86

[Text] St Georges, Jan 30, CANA -- Grenada's Public Utilities Minister Dr Keith Mitchell has expressed surprise at a recent statement by 32 nationals who studied in Cuba that they were being discriminated against.

The students accused the Grenada Government of denying them appropriate jobs, saying that only two of them were employed as professionals while seven others are being paid salaries not in keeping with their qualifications.

In the strongly worded statement, the graduates stated that contrary to reports appearing in the local media they are a group of serious, honest, and patriotic Grenadians and not time bombs, vicious points of infection, or saboteurs.

Mitchell said that his ministry alone was able to get the Cabinet to approve employment for seven of the engineers and that three of them were already working at the time of the statement. ...I think there must have been some maliciousness as far as the report is concerned, he told CANA.

The students were sent on scholarships to Cuba during the 1979-80 leftist rule which folded when American troops stormed the island following the slaying of Prime Minister Maurice Bishop in a bloody Army coup.

After the invasion, Governor General Sir Paul Scoon ordered all Grenadians in Havana to return home with a view to seeking alternative studies in Western universities but the 32 did not comply.

Mitchell stated that the report issued by the students would no doubt convince those Grenadians who had expressed concern about their political leanings. He also said that some of the students would have to await the results of government's approach to the University of the West Indies (UWI) to access their Cuban qualifications.

I think the students must understand that the government has an obligation to all our people and not just to a particular group of students, and I think that's the most important thing they have to understand, he added.

HAITI

SYLVIO CLAUDE CALLS FOR 'CIVILIAN-MILITARY JUNTA'

NC301020 Paris AFP in English 1014 GMT 30 Jan 86

[Text] Cap-Haitien, Haiti, Jan 30 (AFP) -- Sylvio Claude, a leading opponent of President Jean-Claude Duvalier, has called for the dissolution of Haiti's parliament, the formation of a "civilian-military junta" and democratic presidential elections, in a statement to AGENCE FRANCE-PRESSE.

Mr. Claude, leader of Haiti's Christian Democratic Party, made his call after an estimated 40,000 people took to the streets of this north coast city Wednesday in a protest against President Duvalier's regime.

Mr. Claude, who was speaking in the capital Port-Au-Prince, said that the junta would be formed in the first instance, then replaced by a provisional government charged with organizing democratic presidential elections. Haiti, the Western Hemisphere's poorest country, has been swept with a wave of protests since four student protestors were killed by police in Gonaives, the country's fourth largest town, on November 28.

Reliable sources said here today that the homes of several members of the country's notorious militia, Ton Tons-Macoutes, had been wrecked by demonstrators late Wednesday. A food depot of the U.S. charity organization CARE -- Christian American Relief Effort -- was sacked by demonstrators, and windows were smashed at a business owned by President Duvalier's father-in-law Ernest Bennett.

FIVE PERSONS KILLED LOOTING IN CAP-HAITIEN

PA301923 Hamburg DPA in Spanish 1953 GMT 30 Jan 86

[Text] Port-au-Prince, 30 Jan (DPA) -- Five persons were killed in the city of Cap-Haitien, the second largest city in Haiti, in the looting of a grocery store, the government reported today.

An Interior Ministry communique announced that the five persons died from asphyxiation during the looting and acts of vandalism "which occurred in an establishment in the city."

According to Interior Minister Pierre Merceron, similar lootings occurred in the southern part of the country. "The government instructed law enforcement forces to take whatever measures were necessary to guarantee the security of the state and protect lives, establishments, and public peace."

Businesses in the cities of Cap-Haitien and Gonaives remained closed, according to reports received from both cities. Meanwhile, there has been no other news of possible new casualties in the southern part of the country.

In Cap-Haitien a crowd broke the showcase windows of the Lada/Niva farm vehicle exhibition owned by Ernest Bennett, father-in-law of President Jean Claude Duvalier.

GENERAL STRIKE CALLED FOR 12-20 FEBRUARY

FL302108 Bridgetown CANA in English 2047 GMT 30 Jan 86

[Text] Port-au-Prince, Jan 30, CANA-REUTER -- Haiti's bustling, impoverished capital, Port-au-Prince, continued life as normal today, but several provincial towns remained paralyzed by strikes in protest against the leadership of long-time President Jean-Claude Duvalier.

Phone communications with outlying towns were difficult but there were no early reports today of major anti-Duvalier demonstrations, after a riot last night in the northern town of Cap Haitien, in which peasants and slum dwellers stormed and looted a warehouse full of U.S.-donated cooking oil.

Troops at first tried to stop the looting, but did not open fire and eventually settled for trying to prevent the crowd from trampling each other as they fled with huge cannisters of oil and loaded wheat sacks onto wheelbarrels.

There were no staffers in the depot of the aid organization CARE, run by Haitians, when the looters broke in at nightfall.

Most American and other tourists have pulled out of Cap Haitien, but a few remain, including a group of 18 Protestant church-aid workers, who could be heard singing such hymns as How Great Thou Art on a hillside hotel terrace last night as the looting was going on about a mile away.

The capital, crammed with a million people, went on as normal, but political tracts urging a February 12-20 general strike, in the hope of overthrowing Duvalier, were beginning to circulate.

Armed guards in sentry boxes around the white-painted Presidential Palace looked relaxed and no troop units were visible in the vicinity. There was no indication as to whether Duvalier remained in the palace. He has not been seen for a few days.

He has rarely left the country during his 15 years of leadership, but until recently was seen regularly speeding through the capital between his various homes.

Residents say he often drives himself, usually in expensive cars, while passing citizens or those sitting outside their slums barely bat an eyelid.

Some say he constantly exchanges his cars and has a huge collection. If you see him pass a thousand times, you see him in a thousand different cars, a taxi driver told foreign reporters.

Countryside today were relaxed, [as received] but the ragtag militiamen of the so-called Ton-Tons Macoutes volunteers, were noticeably out of sight.

Anti-Duvalier protesters in the towns of Cap Haitien, Gonaives, Les Cayes, Jeremie, and Jacmel have been strong in their verbal attacks on the militia, while often making a point of praising the army. Many feel an army takeover would be the most likely scenario if the protest movement forced Duvalier to leave the country.

Strikes were reported continuing in Cap Haitien, Gonaives, and Les Cayes today but peasants who literally live from day-to-day in this impoverished Caribbean nation, still gave an air of life to the towns as they carted their sugar cane or bananas to central markets.

PRESIDENT DUVALIER'S RESIGNATION RUMORED

LD310929 Paris International Service in French 0900 GMT 31 Jan 86

[Text] Rumors from Haiti say that President Duvalier has fallen. Jean-Pierre Bory reports:

As you know there have been very serious disturbances in Haiti for several weeks. It is now 0300 in Haiti. Haitian television is continuing with its programs. Normally, Haiti television ends its program around midnight, but it is 0300, the television is continuing with its programs, and is announcing that a bulletin, a communique, is to be broadcast in the next few minutes. Rumors report the resignation of Jean-Claude Duvalier following pressure from the masses, from the demonstrations by the destitute people of Haiti, the unfortunate people who live in shantytowns, and also under pressure from the Army.

Ten to 15 days ago a similar rumor spread around Haitian circles abroad, announcing in the same way that Jean-Claude Duvalier would appear on television to announce his resignation. So we are awaiting developments, we are waiting for a confirmation of his resignation. I will keep you informed of developments.

State of Siege Expected

NC311109 Paris AFP in English 1057 GMT 31 Jan 86

[Text] Port-au-Prince Jan 31 (AFP) -- Haiti's embattled President-for-Life Jean-Claude Duvalier, is expected to declare a state of siege here today in a bid to crush a nationwide revolt against his family's 28-year rule, according to a reliable source.

A third of the members of the 58-member parliament earlier assembled for a hastily called special sitting just after midnight but four hours later had not begun the session, apparently due to disagreement over the measure amongst top government officials.

Interior and Defence Minister General Pierre [as received] Merceron, and hard-line Information Minister Adrien Raymond, then left for the palace for talks with the 34-year-old president, who was earlier rumoured to have fled the country under cover of darkness with his entourage, or to have been overthrown by the Army.

The state of siege was to be presented to the rubber-stamp assembly by the two ministers along with Justice Minister Jean Vanda, the source said.

Tens of thousands of anti-government demonstrators cut the country's main highway Thursday, building scores of barricades with rocks, burning tyres and trees, while others ransacked government buildings in many of the country's main towns.

State of Siege Approved

PA311223 Paris AFP in Spanish 1120 GMT 31 Jan 86

[Text] Port-au-Prince, 31 Jan (AFP) -- The Haitian Parliament today approved the declaration of the state of siege for 30 days proposed by lifetime President Jean-Claude Duvalier. The state of siege will have to be officially declared in the coming hours.

MEDIA SILENT; U.S. SUSPENDS PART OF FINANCIAL AID

LD311201 Paris International Service in French 1100 GMT 31 Jan 86

[Text] The situation is confused, and there are rumors of a military coup in Haiti. It is 0600 local time, and the radio and television remain hopelessly silent. Yesterday the United States suspended half of its financial aid to Haiti because of human rights' violations.

JAMAICA

NATION CONTINUES TO REDUCE OIL CONSUMPTION

FL302006 Bridgetown CANA in English 1938 GMT 30 Jan 86

[Text] Kingston, Jan 30, CANA -- Jamaica has dramatically reduced its oil consumption in the last dozen years, according to Energy Minister Hugh Hart.

The official JAMPRESS news agency quoted Hart as telling college students that Jamaica's performance since the oil crisis of 1973 had in fact been exceptional compared with other developing countries.

In that year, the domestic sector... peaked at about 9.5 million barrels, Hart said. It has since declined to a little over seven million barrels and held at that level in 1985.

The sector does not include the oil used in the bauxite/alumina industry.

Last year the total oil consumption here, including that used by the bauxite sector, was 8.9 million barrels, but this was at a time when several key bauxite installations were closed or operating well below capacity.

Total oil consumption in 1973 was 20 million barrels.

Hart said Jamaica's performance in energy saving closely approximated the achievements of the industrialised world. Since price increases are happily out of the question in today's market of declining world oil prices, the greatest opportunity for energy conservation in Jamaica today lies in technical improvement, he said.

Government, with local and American funding, operates a programme for public and private sector energy audits and also provides under the scheme loans for retrofitting.

The Jamaican bauxite industry, at one point the most energy inefficient in the world, has since the late 1970's been working to reduce oil bills to improve competitivity in a soft market. The government has been encouraging them to turn to coal as an energy source.

Jamaica is over 90 per cent dependent on imported oil for its energy and apart from coal conversion has been seeking to develop local resources such as its limited hydropower capacity, and peat.

ST CHRISTOPHER-NEVIS

PRIME MINISTER WANTS TO DISCUSS TRADE WITH REAGAN

FL310108 Bridgetown CANA in English 2332 GMT 30 Jan 86

[Text] Basseterre, St Kitts, Jan 30, CANA -- St Kitts and Nevis Prime Minister Dr Kennedy Simmonds has suggested that next month's meeting in Grenada between U.S. President Ronald Reagan and Caribbean heads of government should focus on economic and trade issues.

A government statement said Dr Simmonds made the suggestion during discussions yesterday with Marc Carlyle, vice-consul at the U.S. Embassy in Antigua.

Carlyle Sought ideas from the prime minister on issues that should be raised at the meeting.

The discussions also covered a proposed visit by the U.S. Ambassador to the United Nations, scheduled for next month.

President Reagan will visit Grenada for four hours February 20 to attend a ceremony at a monument erected to honour 19 U.S. servicemen killed during the October 1983 U.S.-led military intervention that ousted a left-wing administration.

LATE REPORT: FURTHER EMERGENCY MEASURES IN HAITI

Duvalier Closes Airport

LD311341 Paris Domestic Service in French 1300 GMT 31 Jan 86

[Text] In Haiti, where demonstrations against president-for-Life Jean-Claude Duvalier are increasing, the Parliament has just approved the introduction of a state of siege for a period of 30 days. The decree will be promulgated in the next few hours. Meanwhile President Duvalier has ordered the closure of three radio stations as well as the international airport of Cap Haitien. Demonstrations are increasing in the country. There were even rumors of a coup d'etat but this is not the case.

Closes Radios, Bans Publications

PA311322 Paris AFP in Spanish 1256 GMT 31 Jan 86

[Text] Port-au-Prince, 31 Jan (AFP) -- The Haitian Government has closed Radio Soleil (Catholic), Radio Lumiere (Protestant), and Radio Cacique (privately owned) until further notice and banned all publications that could promote disorder.

This measure has been adopted in the framework of the state of siege decreed this morning once it was ratified in a Parliament session attended by only 29 of 58 deputies. Two voted against the state of siege and twenty-seven in favor.

According to Article 119 of the Constitution, the state of siege -- which suspends the right to meet and establishes press-censorship -- cannot last more than 30 days.

CONFLICTING REPORTS ON DUVALIER STATUS

PA311529 Madrid EFE in Spanish 1521 GMT 31 Jan 86

[Text] Port-au-Prince, 31 Jan (EFE) -- Haitian lifetime President Jean-Claude Duvalier was seen at 0930 local (1430 GMT) in a vehicle in downtown Port-au-Prince. The president will address the nation this afternoon, an official source added hours after the state of siege was decreed in Haiti.

U.S. White House spokesman Larry Speakes announced today that Duvalier's regime had fallen and that its leaders were preparing to leave the country and had turned over power to a civilian junta, according to reports from the U.S. Embassy in Port-au-Prince.

FBIS

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CAPUTO ON 'IMMORAL' ARMS RACE, REGIONAL CONFLICTS

PY311215 Madrid EFE in Spanish 1426 GMT 30 Jan 86

[By Maria Luisa Gonzalez]

[Text] Moscow, 30 Jan (EFE) -- Argentine Foreign Minister Dante Caputo charged here today that the arms race, in a world plagued by underdevelopment, illiteracy, and starvation, is "immoral." Caputo, who is paying an official visit to the USSR, on 29 January hosted a press conference in Moscow. The Argentine minister said that the two countries signed economic, scientific, technical, and cultural agreements, and that progress has been made on political issues. The minister stressed that despite the differences between the Argentine and the Soviet social systems, the two countries can try to make progress in the quest for peace and disarmament. He added that his country's stand against the arms race and world tension is "ethical in nature," and that the arms race reflects "an improper use of world resources, which has affected the poor."

Caputo pointed out that he discussed the easing of tensions in his talks with his Soviet counterpart Eduard Shevardnadze and with Andrey Gromyko, the head of the Supreme Soviet Presidium. In this regard, the Argentine foreign minister said Argentina advocates a process of worldwide detente because "the occasional easing of tensions between the two superpowers is not always coupled with a similar process in the developing nations." Caputo emphasized that regional conflicts must remain outside the confrontations between the superpowers because "in no way can such conflicts be considered as bilateral affairs involving the two superpowers alone." He stressed the need to keep the Central American conflict outside the U.S.-Soviet confrontation, adding that the conflict must be "Latin Americanized," although, he said, this stand does not entail rejection of economic aid for the region.

Asked about the huge Latin American foreign debt, Caputo advocated the political approach to the problem, pointing out that the possibility of stabilizing the Latin American democracies depends to a considerable extent on economic development. "The debt and the Central American conflict pose the most serious threats to Latin American stability," he added.

Caputo also gave Andrey Gromyko a letter from President Raul Alfonsin to Mikhail Gorbachev, answering a previous letter Gorbachev sent to Alfonsin describing his disarmament proposals. Caputo said this trip yielded positive results for the Argentine delegation, which extended by 5 years the grain agreement the USSR and Argentina signed in 1980, and which signed a cultural agreement, a scientific-technical cooperation accord, and a protocol to regularly hold bilateral political consultations.

President Raul Alfonsin is due to travel to the USSR in the second half of 1986, on a date that has not yet been established. An exposition of Soviet-made products is scheduled to be opened in Argentina in late 1986. Soviet Foreign Minister Eduard Shevardnadze also voiced satisfaction with the results of the visit and with the level at which bilateral relations currently stand.

In a speech he delivered after a luncheon honoring Caputo on the afternoon of 30 January, Shevardnadze said that "the USSR and Argentina have set a good example of how to implement a policy of peaceful coexistence and equitable cooperation on the basis of respect for each other's viewpoints, positions, and interests." He concluded by saying that President Alfonsin's upcoming visit "will mark a momentous event in the relations between the two countries, which will be elevated to a higher level."

SARNEY-BETANCUR MANAUS CONFERENCE CONCLUDES

Joint Communique Issued

PY011827 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jan 86 p 4

[Joint Brazilian-Colombian communique issued to the media after the meeting between Brazilian President Jose Sarney and Colombian President Belisario Betancur in Manaus, Brazil, on 30 January]

[Text] 1. Brazilian President, Jose Sarney and Colombian President Belisario Betancur met in Manaus on 30 January 1986. In addition to the Brazilian foreign minister and the Colombian acting foreign minister, the presidential retinues were comprised of the main government officials in charge of bilateral and multilateral issues of greatest mutual interest.

2. The presidents' meeting was characterized by an atmosphere of great cordiality, a sign of the traditional links of friendship and cooperation that have always united the two countries. It should be noted that bilateral relations have been strengthened over the past few years and that the Manaus meeting establishes a new landmark in the Brazilian-Colombian relationship. The presidential meeting was chosen as the occasion to officially open the first session of the Brazilian-Colombian Cooperation Commission, which was created through the Friendship and Cooperation Treaty that became effective on 10 July 1985.

3. Regarding bilateral issues, the current situation in the coffee market was discussed as well as the role of the two countries within the International Coffee Organization. The two presidents verified that world coffee exports during the October-December 1985 period were the highest of the past 5 years, which proves the effort made by the coffee producing countries to adequately supply the market. The two presidents reasserted the importance they give to the International Coffee Accord as the most appropriate mechanism to guarantee equal prices for the producers as well as for the consumers and to maintain the stability of the coffee market. They also voiced their confidence in the sustained and constructive participation of all producing countries and all the main coffee importers in that accord. Moreover, the two presidents reiterated their intention to preserve and intensify the close and fruitful cooperation they have always maintained in this field.

4. In analyzing the trade exchange between the two countries, the two chiefs of state agreed on the need to significantly increase the volume of this exchange and to reduce the current imbalance in the balance of trade. The two presidents, with great satisfaction, reviewed the various initiatives currently under way seeking to achieve this objective. Among these initiatives is the import of Colombian coal.

5. The presidents also discussed the prospects of various technical and financial cooperation projects, among which are the following:

a) The project to expand Leticia airport and the construction of the Mitu and Porto Inirida airports. Negotiation of these projects should be concluded shortly;

b) The project for the construction of a shipyard in Leticia for the repair of vessels;

c) The project for the construction of the Saboya-Carare railway line for the Colombian National Railway Enterprise;

d) The Tolima triangle project that will seek to develop 3,000 hectares of that Colombian region with the purpose of substantially increasing and diversifying agricultural and livestock production; and

e) The possibility of reaching a sanitary agreement that will expedite bilateral trade in agricultural and livestock products.

6. During the meeting the presidents devoted special attention to subjects regarding cooperation in the Amazon area and the development of the common border. They discussed the prospects of the Amazon Cooperation Treaty and placed emphasis on the upcoming meetings of the Amazon Cooperation Council and the meetings of foreign ministers to be held in La Paz and Quito. They agreed to promote bilateral tools in this regard and, as a consequence, establish as soon as possible, with the exchange of ratification documents, the joint commission provided for in Article IX of the Bilateral Amazon Cooperation Agreement.

7. Both presidents voiced concern over problems stemming from drug trafficking, especially on the border area. They reasserted their respective governments' determination to act decisively to prevent, contain, and supervise the use, traffic, and production of illegal drugs and the production and marketing of raw materials used for the production of drugs. They agreed to strengthen existing Brazilian-Colombian cooperation in this field, which currently operates within the framework of a mutual assistance bilateral agreement signed in 1981. The presidents also pledged to work for the success of the Inter-American Conference on Drug Consumption and Trafficking, to be held in Rio de Janeiro next April, sponsored by the OAS.

8. The chiefs of state voiced satisfaction with the upcoming implementation of the Amazon Bilateral Cooperation Accord, the Cooperation Agreement for the Peaceful Use of Nuclear Energy, and the Scientific and Technological Cooperation Agreement. Exchange of the ratification documents for these three agreements will take place shortly.

9. The two presidents expressed their desire to increase cultural exchanges with the purpose of increasing mutual knowledge regarding the cultural expressions of their peoples, and noted that the recently created Brazilian-Colombian Coordination Commission is one of the work forums through which this objective will be reached.

10. At the continental level, the two presidents reasserted their firm conviction that a peaceful and negotiated solution to the Central American crisis should be reached, based on the proposals made by the Contadora Group and the Contadora Support Group. They recalled with great satisfaction the meeting recently held in Caraballeda, Venezuela by the foreign ministers of the Contadora Group and the Contadora Support Group, which resulted in the "Caraballeda Message". The guidelines contained in this message were signed by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, thus creating the conditions to resume negotiations with a view toward signing the Contadora Peace Act.

11. The presidents voiced satisfaction with the approval of the "Cartegena de Indias Protocol" during the 14th OAS General Assembly, pointing out its importance for strengthening the organization in the peace, security, and development fields and for increasing its efficiency.

12. During the presidential meeting, the region's economic and financial situation was also discussed. Emphasis was placed on the foreign debt problem. The two presidents agreed on the importance of the Cartagena Consensus, and reiterated their hopes that the efforts started within that forum will efficiently contribute to making the international financial system more just. They noted with satisfaction the creation of the committee, of which the two countries are members, to study the economic situation.

Disagreements Noted

PY022037 Rio de Janeiro O GLOBO in Portuguese 31 Jan 86 p 6

[Text] Manaus -- A disagreement has surfaced between President Jose Sarney and his Colombian counterpart, Belisario Betancur. During the press conference the two presidents held here, Betancur contended that the task of expelling drug traffickers and guerrillas from the border area also concerned Brazil. For his part, Sarney contended that this is a Colombian domestic problem on which Brazil could not take a position. Brazilian officials have been extremely reluctant to comment on this problem and have clearly sought to sidestep it. Presidential spokesman Fernando Cesar Mesquita yesterday spent most of his time denying information obtained from Itamaraty itself that the topic was to be discussed by the two presidents.

It was Mesquita's denial that was categorically disproved by two facts: First, reporters discovered that General Octavio Medeiros, the Amazon military commander, and Colombian Defense Minister General Miguel Uribe met behind closed doors on the second floor of the Tropical Hotel (Sarney and Betancur met on the first floor). No information has been released on this meeting. Later, President Betancur himself inadvertently disproved Mesquita's contention when he voiced his disagreement with Sarney:

"Guerrilla warfare and the drug trade will have an impact not only on the future of Colombia but also on that of Brazil, Peru, and Venezuela. Therefore, when guerrillas and drug traffickers get together, we should take joint action to expel them."

Unaware of the fact that the Medeiros-Uribe meeting had already been discovered, Mesquita said: "No one wants to make the M-19 the main issue of discussion between the two presidents." Later, upon learning that the meeting between the two generals had been discovered, Mesquita told reporters that Medeiros and Uribe also did not discuss the guerrilla issue. He said they simply got together for a social meeting to drink cupuacu juice.

In case there was still some doubt, Betancur again dispelled it at the press conference when he admitted having discussed the issue with Sarney within the framework of cooperation in the Amazon region. Betancur said: After leaving Colombia, where will guerrillas go? They could undoubtedly come to Brazil. Thus, since we have a 1,600-km-long border, Brazil could also be the target of guerrillas and drug traffickers. In the joint communique, the presidents voiced "serious concern" over problems stemming from drug trafficking, especially in the border area. They reasserted their conviction that action must be taken to prevent, to repress, and to supervise the drug production and trade. Betancur believes the guerrilla and drug trade issues cannot be separated. In his opinion, mutual cooperation should be undertaken on both problems.

M-19 Movements Noted

PY021954 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Jan 86 p 4

[Excerpts] A group of M-19 guerrillas that had been deployed on the Brazilian-Colombian border since last November yesterday began to pull back to the Colombian central Amazon region. This group of nearly 400 men led by Commander Licia was spotted 2 months ago in the Colombian town of Mitu, 600 km north of Tabatinga, a Brazilian town located on the Solimoes River at the Brazilian border with Peru and Colombia. Since Mitu is close to the Brazilian border, the Brazilian Army deployed troops to that area.

According to reports by Indians and rural workers, Commander Licia and his men may have entered Brazilian territory. While denying that the Colombian guerrillas had entered Brazilian territory, in December the Amazon Military Command deployed troops to Sao Joaquim, in the northeastern Amazon region known as the "Dog's Head."

The Army deployed 150 men to Sao Joaquim. Today, only 80 men still remain in that region. The Amazon Military Command has stated that the M-19 guerrilla group did not carry out any actions in Brazilian territory. General Octavio Medeiros, the Amazon military commander, visited Sao Joaquim three times.

After denying reports that Presidents Betancur and Sarney discussed the M-19 actions during their 2-hour meeting, Brazilian presidential spokesman Fernando Cesar Mesquita said: "The government is not concerned about this matter." He said that during their meeting at the Tropical Hotel the two presidents discussed such subjects as coffee, coal, and bilateral trade. He added: "The M-19 guerrillas are a Colombian domestic problem that could not be included in the agenda for discussions between the two presidents."

VEJA CITED ON SOVIET DIPLOMAT'S EXPULSION

PY031314 Santiago Domestic Service in Spanish 1000 GMT 3 Feb 86

[Text] A Soviet diplomat, whom Brazilian authorities identified as a KGB agent, has left that country at the request of the Brazilian Government. The diplomat was expelled after he tried to bribe the police. This information has been reported by VEJA magazine, which added that the Brazilian authorities discreetly asked that the diplomat leave the country. Thus far, the report has not been officially confirmed.

LUSINCHI, DE LA MADRID DISCUSS OIL STRATEGY

PA311530 Caracas Television Service in Spanish 0000 GMT 31 Jan 86

[Text] The second private meeting between Mexican President Miguel de la Madrid and President Jaime Lusinchi is currently taking place. During this meeting, the two leaders will determine the strategy that the two countries will implement in placing and selling their oil production in their common markets. President Jaime Lusinchi has described the talks held so far as very positive. He also expressed his satisfaction over the warm reception he has received from the Mexican Government and people.

A joint declaration will be issued at the conclusion of the second private meeting between the Mexican and Venezuelan presidents in Cancun.

Lusinchi Comments

PA311908 Caracas Television Service in Spanish 1600 GMT 31 Jan 86

[Text] The presidents of Mexico and Venezuela, meeting in Cancun, this morning agreed to call for a meeting, as soon as possible, with all member-countries of the Cartagena Consensus to analyze the effects of the crisis in the oil market. In addition, in a joint declaration they agreed to defend the participation of Mexico and Venezuela in the oil market and in the process to establish prices.

A few moments ago we received, via satellite, the initial statements of the two presidents on the extent of the agreements reached in Cancun.

[Begin recording] [Mexican President Miguel de la Madrid] I want to express my satisfaction and appreciation for the way in which President Lusinchi, honoring traditional Venezuelan-Mexican friendship, has expressed the Venezuelan position in an attitude that is one of cooperation and agreement with Mexican interests.

[President Jaime Lusinchi] Reporters of Mexico and Venezuela, I don't have much to add to President de la Madrid's remarks. He summarized perfectly well the reason for our meeting and explained the importance of its result.

The two countries, their leaders, and people have been worried about the artificially erratic situation of the oil market.

Taking into account the concurrence of the views that Mexico and Venezuela have had for a long time -- not to say forever -- I came here to talk with President Miguel de la Madrid, my old friend whom I admire very much.

These talks were long because their topic has nuances and aspects that are very diverse and had to be thoroughly analyzed to reach an exact agreement, not only in regard to interpretation but in an effort to concur in procedure, which is what we sought. We obtained these results and the traditional petroleum relations between Mexico and Venezuela -- to refer to them specifically -- were not only strengthened, but enriched, as you may have surmised from the joint declaration that the oil ministers of Mexico and Venezuela will hand out and comment on for you. [end recording]

Returns From Cancun

PA010310 Paris AFP in Spanish 0213 GMT 1 Feb 86

[Text] Caracas, 31 Jan (AFP) -- President Jaime Lusinchi arrived in Caracas tonight from Cancun, after holding an oil summit meeting with his Mexican counterpart Miguel de la Madrid. Upon arriving at the Maiquetia International Airport the chief of state went to the Miraflores Palace.

The Mexican and Venzuelan presidents signed an agreement calling for a meeting of the Cartagena Consensus, which groups the most indebted countries in the region, and the creation of a bilateral oil cooperation commission, among other points.

Lusinchi's arrival in Caracas coincided with Mexico's announcement of a drop in its light export oil prices by approximately $4 per barrel, retroactive to 1 January.

HEAVY EXPORT CRUDE OIL PRICE REDUCED BY $3

PA020120 Paris AFP in Spanish 1902 GMT 1 Feb 86

[Text] Caracas, 1 Feb (AFP) -- Venezuela cut the price of its heavy export crude oil, retroactive to last 27 January, $3 per barrel, Acting Energy and Mines Minister Hernan Anzola announced today. Venezuelan heavy crude was valued at $20 to 21 per barrel, and now it will cost $17 to $18.

There is no uniform price as Venezuela exports many types of crude oil, and the price adjustments involve some 14 types of heavy crude. The measure effects 500,000 of the 1.4 million barrels daily of crude and products of different qualities that Venezuela expects to sell in 1986. The decision will fix the price of the Venezuelan heavy crudes to the Mexican "Maya" type, its price having suffered a similar reduction last Friday.

In the group of some 50 crude types and products that Venezuela exports, today's drop will involve $1.06 in the average price per barrel, estimated at $24.50.

The country will lose $475 million due to this price cut, Anzola said.

CONSALVI MEETS WITH TRINIDAD FOREIGN MINISTER

PA312155 Caracas Television Service in Spanish 1600 GMT 31 Jan 86

[Text] Errol Mahabir, foreign minister of Trinidad and Tobago, is in our country discussing aspects of the bilateral relations between Venezuela and that Caribbean island. The talks were held at the Foreign Ministry where Mahabir and his retinue explained their viewpoints on bilateral treaties, which include the fishing agreement and the initiatives in the trade, energy, agricultural, and other areas to the Venezuelan representatives. Venezuelan Foreign Minister Simon Alberto Consalvi told Mahabir that Trinidad and Tobago and Venezuela are two Caribbean countries willing to work for the benefit of the best regional interests, which are somewhat complex and subject to the temptations of foreign influences that are different and incompatible with local values.

At this time, Mahabir is in Guyana where he will visit the Raul Leoni Dam and the Guri Hydroelectric Plant.

DE LA MADRID, LUSINCHI EXTEND CANCUN MEETING

FL311228 Mexico City NOTIMEX in Spanish 0455 GMT 31 Jan 86

[Text] Cancun, Mexico, 30 Jan (NOTIMEX) -- The Mexican and Venezuelan Presidents, Miguel de la Madrid and Jaime Lusinchi, have extended their stay here, and will not issue a joint communique on their position regarding the present oil market crisis until tomorrow.

The official spokesman of the office of the president, Manuel Alonso, said that several points of the joint agreement, which is being referred to as the Cancun accord, have already been discussed. The ministers of finance and energy and mines, and the directors of the state petroleum enterprises of both countries are participating in the talks, which are bing held in Cancun's Maya House.

The two chief executives are studying the oil market crisis and the impact it may have in the already huge foreign debts of Venezuela and Mexico.

Joint Communique

FL311821 Mexico City NOTIMEX in Spanish 1600 GMT 31 Jan 86

[by Agustin Pradillo, special correspondent]

[Text] Cancun, Mexico, 31 Jan (NOTIMEX) -- Today, the presidents of Mexico and Venezuela announced here that an urgent meeting of the Cartagena consensus will be held to analyze the effects of the oil market crisis and said that isolated decisions of oil-producing countries are seriously hurting Mexico and Venezuela.

After the meeting, which began on Thursday, and in a joint communique, Presidents Miguel de la Madrid and Jaime Lusinchi agreed that isolated decisions of OPEC members or nonmembers have a serious effect on international economic and financial stability.

The communique indicates that the aim of the Cartagena Consensus countries' meeting is to promote necessary contacts with the governments of creditor countries, financial organizations, and the international banking community.

Likewise, they made a call to the leaders of oil-exporting countries to take measures -- within the framework of an organized plan -- that would allow matching the oil supply to real consumption demands in order to reestablish order and stability within the market.

They asserted that the oil market crisis has created an extremely unstable situation, and its consequences surpass its limited area and deteriorate the conditions of the international economy, trade, and finances.

The heads of state noted in the communique that developing countries and oil-exporting countries who have heavy foreign debt commitments are particularily hurt by the oil market crisis by having their payment capabilities seriously diminished.

They said that in addition to the deterioration of oil export income, additional burdens are placed by protectionist and restrictive trade actions in the markets of developed countries, and by real interest rates, which are unprecedentedly high.

Miguel de la Madrid and Jaime Lusinchi pointed out that measures need to be adopted to reinstate an orderly and predictable market behavior. They made this call extensive to oil-producing and consumer countries.

The agreement signed by the two heads of state indicates that the decrease of income due to this crisis is of such magnitude that it cannot be absorbed by domestic adjustments because it would lead to an inadmissible deterioration of the standard of living of our countries. This is why they said, that without damaging the efforts of economic reforms, which is our countries' responsibility, it is essential that effective and concrete international measures are taken in the areas of oil, trade, or finances.

The heads of state underscored that due to the instability of markets, an oil cooperation committee needs to be set up with representatives from the Mexican Energy Secretariat, the Venezuelan Energy Ministry, and the respective state enterprises to maintain exchange of information, consultation, and to reach decisions that would protect the interests of the two countries.

The two presidents made a call for OPEC to strengthen its internal unity to be able to fulfill the important role it is supposed to in order to defend the rights of oil-producing countries. They also encouraged importing countries to contribute to the oil market stabilization efforts by avoiding sharp price fluctuations that would negatively affect the balance of the world economy.

The presidents of Mexico and Venezuela, after a 10-hour working session, reasserted their position of assuming responsibility to face the current difficult situation and said they are confident that other countries will also adopt a sensible position in line with the interdependency existing in today's world.

Before the joint communique was read by Mexican Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa, the Mexican president asserted that he will continue developing friendship ties between Mexico and Venezuela and to increase cooperation between the two countries. Venezuelan President Jaime Lusinchi indicated that the artificially created erratic situation of the oil market forced the two heads of state to hold these talks. Likewise, he expressed his admiration and respect to Mexican President Miguel de la Madrid and called him a leader of Third World countries. After expressing his apprehension to the members of the press, President Lusinchi said that with this meeting, measures can be taken to bring coinciding policies for the countries to adopt in matters of oil, foreign debt, and in the search for world peace.

PEMEX DROPS LIGHT CRUDE PRICE BY $4 PER BARREL

PA312338 Paris AFP in Spanish 2309 GMT 31 Jan 86

[Text] Mexico, 31 Jan (AFP) -- Mexico reduced the price of its light export oil by an average of $4 per barrel, retroactive to 1 January, the state owned Mexican Petroleum (PEMEX) announced today. The average price for the month of January will be $19.75 per barrel, in contrast to $23.75 last December. PEMEX's foreign trade committee also announced the decision to continue applying the policy of flexible retroactive prices during the month of February, which will reflect the situation of the international oil market.

Petrochemical Price Reduction

FL312135 Mexico City NOTIMEX in Spanish 2058 GMT 31 Jan 86

[Text] Mexico City 31 Jan. (NOTIMEX) -- Pemex will sell its basic petrochemical products 10 and 20 percent lower than current international market prices.

Pemex sales subdivision has announced this to all its industrial clients and added that, with this, it will provide greater support so that clients can export and achieve greater competitive levels abroad.

It announced that industrialists of the manufacturing industry plastic division are working on building houses made of that material to participate in a massive housing program the Urban Development and Ecology Secretariat is developing.

Pemex also said the drop in oil prices should be compensated by nonoil manufacture exports.

SEPULVEDA RETURNS FROM TRIP TO EGYPT, ALGERIA

PA311939 Mexico City XHDF Television Network in Spanish 0130 GMT 31 Jan 86

[Text] Foreign Secretary Bernardo Sepulveda returned to Mexico City this afternoon after an official visit to Egypt and Algeria. During his stay in Egypt, Secretary Sepulveda was received by President Husni Mubarak and Foreign Minister Butrus Ghali.

The Mexican foreign secretary opened the Third African-Latin American Cooperation Seminar, addressing the world's political and economic crisis. The seminar concluded that there is still a negative state of inertia in American-African cooperation and cooperation and appealed to governments to revitalize the efforts to promote exchanges.

One result of the visit of Foreign Secretary Bernardo Sepulveda was the creation of the mixed economic, scientific, and technical cooperation commission, which will serve to identify fields in which to establish complementary work programs.

Regarding his visit to Algeria, Foreign Secretary Bernardo Sepulveda said that its objective was to follow up on the important agreements reached by Mexican President Miguel de la Madrid and Algerian President Chadli Bendjedid during their meeting last year.

DELVALLE 29 JANUARY SPEECH ON ECONOMIC ISSUES

PA301912 Panama City Domestic Service in Spanish 0216 GMT 30 Jan 86

[Address by President Eric Arturo Delvalle at the Palace of the Herons in Panama City on 29 January -- live or recorded]

[Text] Dear fellow countrymen: As you all know, the world's economy has been seriously upset in recent years. This situation has had dramatic consequences in the developing countries, especially in Latin America and in our country.

However, a careful analysis of the characteristics of the Panamanian economy and of the current conditions in our country shows that Panamanians do have the necessary means to both face the crisis and firmly develop the nation.

The strong faith we have in our country is not only an expression of the love we feel for it. It is also the result of a study of the true national situation and of the way the world situation is evolving.

With basis on this analysis, the government has been considering all the economic policy proposals presented by Panamanian groups and professionals, and it has been consulting with social and productive sectors interested in making the country advance.

The conclusions we have reached are a summary of the contributions of many fellow countrymen who have a common interest. Therefore, the national government has approved a plan of guidelines, objectives, and actions to develop the country based on the confidence and the certainty it has gained from the fact that many people participated in preparing these guidelines for the benefit of the nation.

The government is aware of the fact that the plan implies introducing new legal and organizational administrative measures that are directly aimed at adding dynamism and strengthening the Panamanian economy.

We have made the decision, and we have the capability to set this plan in motion because it responds to the domestic needs of the national economy. Many dispositions that were adopted in the past, and that still rule the country's economic activities, either have already accomplished their objective or have become obsolete. The international situation has changed, and therefore Panamanians must set for themselves new tasks and more important goals.

This is a realistic program that will effectively contribute to a better future for our people without surrendering to any foreign power. This is what corresponds to a people who have always known how to defend their territorial sovereignty and their right to make their own decisions and who always will place dignity above any other consideration.

We also realize that these new measures must be implemented rationally. We have evaluated how productive these measures will be, and we have made analyses to determine if they count with the understanding of the majority of the country and the sincere backing of their most important organizations and are, therefore, viable.

This program is the result of a multisectorial consensus and corresponds to the historic demands of national integration and development. It also has the sincere support of all the political parties that form part of the government, of the organizations that back these parties, and of all the structures that compose them.

One expression of the realism of this program will be the full utilization of the advantages that our geographic position provides. This will be one of the keystones of the program.

In the past, our geographic position was viewed narrowly. We were seen only as a horse trail, or a railroad line, or as a canal, always in foreign hands and always to benefit others.

Today the canal is, to a great extent, ours, and in 14 years it will be completely ours. But our territory has, because of its geographic position, many other resources, resources that are exclusively Panamanian, that we can use in many ways and very economically. The benefits derived from the canal and from all the other forms of exploitation of the geographic resources must be felt in the countryside for the benefit of the other sectors of the Panamanian economy and society, thus creating sources of employment, production, and social well-being in the most remote corners of the country.

Although our geographic position has given the Panamanian economy advantages over and characteristics that are different from those of sister nations, this program is not based on a point-of-transit resource aspect, but on a program of national integration and independence.

The program's most important objectives are to strengthen and consolidate the state, to attend to the needs of Panamanians, to train them so that the country's economy functions with a basis on its own interests, and to create job and social service conditions suitable to enhance our human potential, as this country's main resource is not its geographic position, but its people.

The best way to distribute wealth and opportunities is to implement a development policy that takes into consideration the needs and aspirations of the various Panamanian sectors, especially the productive sectors, thus guaranteeing the stability and peace that characterize the country.

Another objective is to strengthen the democratic institutions by making the effective participation of all Panamanians viable whenever decisions that will affect them are to be made. Another objective is to completely democratize not only government elections-related activities, but also the country's economic, social, and cultural life.

The objective is to continue working on the national territorial and economic integration under better conditions to guarantee the best possible use of the nation's resources, so that the people may be better served.

This program cannot take into consideration only current problems. It must coherently present the country's social and economic development tasks. Therefore, the program must have a medium-term approach to prepare the Panamanian nation to face the challenges of the next century. To do this, we must face the true situation as it is, with its characteristics, to search for solutions that will guarantee lasting benefits for the Panamanian majority.

History explains the characteristics of the isthmus, noting that it is an exchange and service center for world trade and that it has an economic system that technologically corresponds to its status as a crossroads. As a result of this, two-thirds of our gross national product is provided by the service economy. While other countries are moving toward developing their service sector, Panama is trying to use its dividends to develop its agriculture and industry.

The relative importance of services-exports [exportaciones de servicios] allows our exports to have greater value stability than those of countries that principally export raw materials. The prices of raw materials fluctuate, and reductions in prices gravely affect even the oil-exporting countries.

However, our services-export prices are the same in Panama as in the world economy. In addition, we have a monetary system that is directly integrated into the international monetary system, as there is no Central Bank here.

Transit-related activities, the export of services, and the monetary system compose a peculiar economic system different from those of sister nations.

Recently Panama has been offering services that we provide more efficiently than other countries: telecommunications, air-traffic, storage, oil pipelines, financial, commercial, insurance and reinsurance, re-exporting and other activities that complement the transit-of-ships-services activity and go beyond it. To this we can add the improvement of port services, the massive mobilization of containers [contenedores], the creation of an all-services port [centropuerto], and other valuable possibilities.

As a result of an aggressive state participation during the past decade, public services grew significantly. This included initiatives that are characteristic of the public sector: electrification, telephone service, aqueducts; and education, health, social security, and transport services to satisfy the local demand and to improve the country's ability to produce on other exportable items.

The development of human resources was undertaken to produce job seekers with a high level of education, health, and long life-expectancy. During this period the state created a huge economic infrastructure of great importance. To this we can add the importance and the value of the returned areas, which are near the metropolitan area -- where approximately 50 percent of the population lives -- and near the transit canal and the international services system.

These characteristics imply that the guidelines for the short- and medium-term national economic development will have to include important aspects characteristic of the nature of a transit region. The way to overcome the current situation and launch more important development projects is, necessarily, to make the best use of the advantages that our geographic position provides and use them as a pivot for more exports and the creation of new jobs.

Only by increasing the efficacy and the profitability of the international services system will we be able to secure the resources necessary for creating other sources of wealth in other areas of the country. This must be the objective of increasing our efficacy.

In the pursuit of those objectives, it is necessary to introduce some changes. However, neither the nation's present situation nor our own convictions would recommend, in any case, an adjustments policy that could affect the socioeconomic development already achieved. Instead, there must be a revision of our economic policy in order to adapt it to the changing national and international situations. By the same token, that change cannot be taken as a ban on the state participating as manager in the national economy but as a change in the approach and the forms of participation.

The present financial circumstances are different; therefore, the solutions we propose must be different and new. In that respect, it is important to remember that one of the circumstances that have modified the situation was the change suffered by the conditions in which Panama and the other Latin American nations contracted loans for development in the past. The sudden rise of interest rates on previous debts has been one of the factors that brought about the present crisis, because it implies a continued and onerous export of public funds that go to the creditors.

Another of the nation's serious problems in unemployment, which has increased in the past decade. Never before had we experienced such heavy growth in the economically active population, at a rate of four percent annually. In the seventies, some 13,000 people became active yearly, while now that figure exceeds 22,000 annually.

This was resolved in 80 percent of the cases with the employment created in the public sector. Besides, the pressure on the employment market was reduced by the increased school attendance. Now this is no longer feasible.

Due to the urgent need to generate employment, this problem is neither academic nor will it be resolved with a simple economic adjustment. The lack of growth is reflected in the lack of properly remunerated jobs. Because of this, the matter is no longer economic, but has become a socio-political problem that, if not duly solved, could in the future become a menace to social peace.

The changing financial circumstances and the growing unemployment problem constitute three big global objectives of our economic policy: to generate employment and reduce the social dropout levels; to create conditions for the self-sustained growth of the Panamanian economy, mainly through the use of our own resources and, particularly, by the better use of the reverted resources; and to maintain the advances already made in social service, as investments in Panamanian human assets.

The economic improvement thus obtained helps strengthen Panamanian nationality. This, in turn, will help strengthen the democratic institutions and the channels for citizens' participation. A nation thus strengthened by that integral development could meet with determination and courage the international role it must assume.

The above means in global terms that the development policy will be oriented to strengthen the traditional activities and, besides, to avail itself of the absolute and relative advantages the country has, such as its geographical position, its services structure, and its function in commercial transit.

In view of the state's financial conditions and under the present circumstances, in the coming years economic policy will place greater emphasis on the private sector, for local and foreign investment. However, it must also be understood as a private activity as the development of business activities with a minority state capital intended to maintain its participation in profitable activities, to benefit from its resources, and to improve administrative efficiency for the purposes of the economic policy we recommend. Therefore, the concept of private activity will be broader than the traditional concept.

The economic system -- whose parts must be consonant and supporting among themselves -- works as a whole. In the first place, we shall refer to the macroeconomic policies, including fiscal policy.

National public finances show an excess of expenses over revenues. The causes for this situation are known: the increase in oil prices, the withdrawal of private investment, the need to produce human resources and to create the infrastructure for development, the pressure of the working sector for wage increases, and the large increase of the real interest on the debt.

The financial policy we have designed and are carrying out to meet the above situation includes, among other aspects, the establishment of budget execution standards that will make budget control and execution procedures more rigorous.

As an example, we may recall that in 1985 we approved a 1986 budget 3 days before the end of the year.

On the other hand, this is a good occasion to remember something about which there is not the slightest doubt: There will be no massive dismissal of public employees. To this we must add that the government is particularly interested in systematizing and improving the training of public employees, and the quality of their services. Work is already underway to create a civil service and, as a first step in that direction, a draft bill has been prepared to regulate the wages in that sector.

Regarding fiscal revenues, the policy is intended to increase the relative amount of the current income in the gross national product. To do this, in tax revenue matters there is a program underway to improve collections, particularly of taxes such as the personal property transfer tax. In addition, in the decentralized sector efforts are being made to improve the application of public service tariffs and collections, particularly in the water, electricity, and communications services.

Concerning the public expenditure policy, it is being oriented to rationalize the growth of the government's overall expenditures. The rate of growth in expenditures is reduced, implying a drop in absolute levels. In some cases, this can be achieved by transferring some state activities to the private sector through sales or co-participation.

As to capital expenditures, the state investments program will give priority to maintaining the basic infrastructures of health, education, and public services such as electricity, communications, ports, railroads, and transportation. The sum of the income and expenditures policies shall result in an improvement in relative incomes and in a reduction in expenditures. This should result in an increase in current savings in the public sector to create the conditions for an increase in the state's investment capacity.

Regarding financial sources, it has been proven that the conditions prevailing in the past decade through the recycling of petrodollars will no longer be available in the eighties. Therefore, regarding commercial operations, emphasis must be placed on the development of specific projects that are profitable and self-financing. In order for the state to invest in the infrastructure, it will have to continue to resort to long-term conventional credits for development from international organizations. In addition, the state must take advantage of direct country-to-country financing possibilities that are partially associated with the supply of goods and services, but only when this involves projects that respond to the specific needs of and are advantageous for our nation.

Regarding the refinancing of the existing debt, the commercial debt -- which represents almost half of our overall foreign debt -- must be reorganized in longer terms and at lower interests in the next refinancing efforts.

As to state participation in the economy, it can always resort to the mixed enterprises structure that allows it to participate in the country's economic development. In a similar fashion, the state has many resources in assets and capital goods. Its contribution through them in commercial operations as well as in the granting of concessions will allow the state to maintain its patrimonial participation without it becoming the sole guarantor of the economic activity being carried out.

Within a general context, in the medium-term, state policy is designed to increase the private sector's relative participation within the economy. The state will maintain its social role of being the supplier of infrastructure and basic services such as health, education, public utilities, electricity, water, and telephones. In addition, it will strengthen the efficiency of its administrative procedures.

Regarding the balance of payments, we have already said that due to its monetary structure and the nature of our main exports, Panama has special conditions that allow it to have more stability in this balance of payments. However, this does not allow us to underestimate the importance of our traditional exports. This is the reason for the emphasis and support the government will continue to give its policy of promoting exports. This was reaffirmed with the creation of the National Investments Council and the Panamanian Foreign Trade Institute. These two agencies promote exports through new investment and support for national exportable production.

Canal traffic is an important potential market for exports. Good use of it should result in an increase in nontraditional exports, thereby permitting the creation of more jobs and more efficient use of local resources.

In addition, this calls for strengthening transportation to and from Panama and for the various means of transportation and an all-services port [centro puerto] to play a very important role. The state will exploit this resource through the granting of concessions. A similar idea is applicable to international air traffic. The possibilities of joint investments between local and foreign investors are valuable for the development of nontraditional exports. This will complement the investment of foreign capital and technology with local resources and labor.

Administratively speaking, the state will continue to promote the country in efforts such as increasing the revenues that stem from tourism. Panama has a historical mission as a place of transit, but it also has a great potential as a place of destiny, as a site of recreation, and as the ideal conclave for all kinds of international meetings. The government will implement an effective policy to reach these goals. In addition, direct foreign investments that permit the compensation of more traditional financial sources that are generally used to cover capital accounts in the balance of payment will be increased.

In regard to the banking and financial sector, it must be said that the monetary system, which is closely linked to the balance of payments, will remain in its present form. The growth of the banking sector in our country must be strengthened with the development of a stock market, as well as with the addition of financial organizations other than those already in existance, in order to further develop the financial center. This will involve the investment of capital goods and financial resources. The banking center established in Panama has reached such a level of maturity that in the future its growth will depend on the development of new financial methods, diversification of the services they provide, and the incorporation of long-term financing for securities and capitals, as well as their incorporation into the insurance and reinsurance system. This policy is designed to keep the system open, increasing the benefits of our monetary structure to an optimum, and developing greater physical use of our geographic position. This will result in greater demand and in more benefits from the financial services that support it. In this regard, they are very closely related.

All the policies for economic growth that were mentioned will be successful to the extent that they generate enough jobs to absorb the economically active population. In Panama, a lack of growth has aggravated the problem of migration from rural to urban areas, lowered true salaries, and given rise to an informal, masked unemployment sector. This places pressure on family income, particularly when fewer adults support more adolescents with worrisome consequences.

The objectives of the labor and employment policy should do the following:

Keep the climate of peace that marks labor-management relations.

Guarantee the achievements of the labor movement -- namely, the workers right to form unions and strike, the obligatory withholding of union dues, economic independence, collective contracts, adequate labor conditions, and similar rights.

Raise the productivity of Panamanian workers. For this, mechanisms to reduce the cost of labor as opposed to the capital factor will be established. This includes the creation of incentives for production and efficient distribution of the work force.

Lead to speedier labor decisions. In turn, this entails a reduction in the cost of labor-management procedures and, generally speaking, lower production costs.

Create better conditions for more jobs through other possibilities that, although they do not represent a complete solution for the problem, lower the social pressure generated by it until the economy reaches higher growth and job absorption rates.

In general, methods will be established to lower the true cost of creating each new job. Regarding this, the labor regulations that deal with piece work and rural work, particularly those areas in which small enterprises are at a disadvantage compared to the larger ones, must be revised.

Taking into consideration the relative importance of the services sectors and the fact that Panama is a maritime country, it has been observed that the labor code provisions for work at sea -- although they have been formulated within the general spirit of the legislation -- do not completely fit the needs of a country like ours whose merchant navy potential is important.

To reconsider this is vital for the long-term training of the personnel who will take upon themselves the responsibility of operating the Canal when Panama assumes control of it in 1999.

In addition to the previous macroeconomic considerations, we must outline several sector policies.

The objectives of the agricultural and livestock policy will be:

To increase the sector's productivity in order to be able to lower the cost of the family market basket.

To reduce the flow of people from rural to urban areas. This will be attained through greater development of rural activities.

To increase the sector's efficiency and productivity and to reduce imports without entering areas in which we are not truly competitive. Similarly, we must increase the supply of agricultural and livestock products suitable for export.

To strengthen the role played by agricultural and livestock research not only by beefing up its institutional aspects, but also by orienting this research toward an increase in productivity through the generation of improved corn and sorghum seeds and the better handling of livestock. In addition, and with institutions in the sector, we must transfer this technology to producers.

To strengthen unions through better education, productivity, and the ability to make better efforts.

To legalize land holding through the elimination of barriers on the issuance of title deeds. This refers particularly to small farmers. In this way, there will be more private participation in the sector's activities. Small farmers will have greater participation in the market, thus improving their credit status.

To develop an irrigation program for small- and medium-sized producers and cooperatives to increase their production.

To foster agricultural and livestock credit through financial agencies in the private and state sectors. Measures will be taken to promote private bankers' interest in the agricultural and livestock sector.

To promote the export of meat products, we have eliminated restrictions on meat exports and will continue to promote the direct export of seasonal fruits. In addition, we will broaden the program to export vegetables.

In keeping with this policy, we will amend the legislation currently in force that specifies the obligation to substitute agricultural and livestock imports at all costs, and will instead establish another aimed at increasing efficiency and production to satisfy the local market and to promote exports. In cases where replaceable imports are involved, this requisite will only be applied when productivity conditions warrant it.

To increase the sector's productivity, we will loosen control over product prices, inputs, and production factors -- including labor as I pointed out earlier -- by decreasing subsidies to producers. First, we must correct distortions that prevent price incentives from reaching producers in an adequate manner and from being diluted in the commercialization chain. In this regard, the sector's price system has not turned out to be an efficient channel to determine allocation of resources due to price distortions along the commercial channel. To that end, we will establish a process to adjust prices according to productivity increases and the reduction of middleman costs, and when necessary, to a combination of both factors. The price policy for the sector will not be rigid throughout the process nor through its application. Possible differences will involve specific cases and products.

As for our forests, we will reinforce institutions tasked with reforestation and protection, especially in priority areas, such as the hydrographic basin of the Panama Canal. We will issue legislation to promote rational use of our forests.

As for commercialization, we will improve the purchasing system of the Agricultural and Livestock Marketing Institute to eliminate negative elements resulting from bidding to buy imported grains, and to ensure that imports will be made at the most advantageous price possible. On the domestic market, beginning with the 1985-1986 harvest the institute will not participate as an intermediary in the production of rice. Price will be established through the participation of producers and distributors.

As for the industrial sector, the objectives of our policy are as follows:

To improve the productivity of the system and increase competitiveness in the sector.

To create the conditions leading to a sustained reactivation of manufacturing production and, at the same time, achieve a sustained increase in the use and production of manufactured exports by taking advantage of the country's relative advantages and using idle plant capacity.

To reduce existing distortions in the industrial protection system and broaden the coverage of benefits to small- and medium-sized industries.

To create the necessary conditions to promote the most intensive use possible of the labor force in industrial activity.

In implementing these objectives we must keep in mind the level of development achieved by national industry and the measures that have been implemented by the main industrialized countries in this field. The conditions on the domestic market (which is small) forces us to seek new exportable products and markets. Therefore, we will give special emphasis to the promotion of industrial exports without neglecting or affecting the conditions of existing industry.

As for existing industries, our actions will be in keeping with the following policies:

We will complete the program to replace import quotas that are still in force for tariff protection.

We will amend the industrial law currently in force according to the following guidelines:

A. We will respect the existing levels of real protection except in those industries in which protection is proven to be excessive or unnecessary. We will not increase the existing real protection as productivity increases and cost reduction are achieved. The effects will be transferred to the consumer through reductions in the protection level when certain industrial production disappears. Those who wish to resume it in the future must comply with regulations covering new industrial products.

B. We will reduce incentives for the use of machinery instead of labor by establishing a more uniform system, reducing existing distortions, and through a low import tax without exception, except for those industries exporting 100 percent of their products. In a reasonable period of time we will also establish a policy regulating the import of raw material that will allow us to replace the exoneration concept with a symbolic import tariff.

C. We will create international protection mechanisms to protect national industry against unfair competition when it is confirmed that tariff barriers are not enough to prevent that situation, and to protect new industries against the unjustified importation of products it already manufactures.

D. We will establish the Official Registry of Industries under the General Directorate of Industries of the Commerce and Industries Ministry. Businesses wishing to take advantage of incentives created by the law will initially register there for up to 10 years. Those that are involved in development will initially register for up to 15 years.

The present mechanisms used to obtain certificates for taxes paid in advance will be studied with the intention of making these certificates easier to obtain, and encouraging investments and exports.

With the objective of promoting employment, the certificate for taxes paid in advance for employment will be created, which will allow employers to obtain fiscal credit in proportion to the number of jobs increased. This will be verified with the payrolls presented at the Social Security Bank. The certificate for taxes paid in advance for employment will be temporary. Efforts will be made, through specific studies, to achieve improvements in the efficiency of the systems, without the need for exaggerated protection.

With a view to the new industries, we will act in accordance with the following policies:

The new businesses or industrial products will initially enjoy a maximum tariff protection of 70 percent, which will be reduced to 40 percent within 7 years. No new business or industrial product can exceed, under any circumstances, the elements established here.

Industries dedicated 100 percent to exports will be 100 percent free of import duty, contributions, taxes, customs duty, Personal Property Transfer Tax, income tax on profits -- (except extractive industries or those that exploit the country's natural resources) -- export taxes, sales taxes, production taxes, taxes on capital or the firm's assets, except taxes on licenses, real estate, or fuel.

It is also necessary to establish the country's policies regarding the full use of our geographic position. As is well known, this Panamanian natural resource has played and will continue to play a main role in the country's economic development. Aware of this reality, the government will emphasize the full use of our geographic position, whose central axis is the interoceanic canal.

The potential development of our geographic position includes projects such as the Center - Port; the use of the reverted areas for industries, trade, and housing; investments to improve the present Canal; studies to establish the most viable alternatives for the Canal's future, as well as other transportation activities; the possibility of creating a regional health center; as well as maritime service centers, aircraft repair stations, and air cargo distribution centers.

We must achieve a much more efficient plan for the development potential of the reverted lands. Within a short time a program for the proper use of the reverted areas will be prepared, including the use that will be given to housing, areas needed for industrialization and trade activities, as well as for the construction of the northern corridor, major and minor port facilities, the Arraijan highway, and a new bridge over the Canal, which will make the reverted lands more accessible and increase their value, as well as to reduce traffic on the Bridge of the Americas.

Legislation will be initiated to allow the sale of homes in the reverted areas. The achievements made will be consolidated and areas of minor development such as tourism will be promoted, as well as the conventions center and the International Airport. A master plan will be established for the development of the reverted areas. The existing transportation system (railroad and ports) will be improved so they can operate at competitive prices. The Canal's future will be established by studies that will be carried out for this purpose. To achieve these objectives, the following measures will be adopted: The proper use of the reverted areas represents the country's political responsibility locally as well as internationally. Every action should be aimed at maintaining the efficient operation of the interoceanic path that will be reverted to Panama in the year 2,000.

For this, we will contract for a study that will allow us to develop the technology for the appraisal of these areas, since these areas are a unique case in the field of property appraisal. We will develop a plan for the protection of the Canal's hydrographic basin and will immediately establish the duties of the forest rangers.

Regarding the future of the Canal we must plan for the following:

We will draft a plan to assume the administration of the Panama Canal in the year 2000, harmoniously abiding by the Torrijos-Carter Treaties and developing a growing participation of Panama in the administration of the Canal. We will negotiate the widening of the Culebra Cut and other investments that are necessary to maintain and expand the efficiency and usefulness of the current Canal.

In matters regarding the development of activities related to the Panama Canal the following will be established: Through the bilateral commissions, we will promote the preferential use of national goods and services by the Panama Canal Commission as well as by the U.S. Armed Forces stationed in the area of the Canal. We will implement a plan to grant the private enterprise offering services related to the transit of the Canal the right to provide these services, such as the sale of fuel, motorboat, and towing services, and others. Other areas that merit much attention include the establishment of a policy regarding the Panamanian public administration. The goals to be fulfilled in the area of public administration will be to increase its efficiency, rationalize the operation costs, and establish an administrative career based on merit. To achieve these goals we have already adopted several measures and we are drafting an administrative action plan.

In the guidelines we have established for our budget plan we have included aspects aimed at strengthening the control of the budget and implementation procedures, including guidelines regarding the monthly cashbox flow by entity. As a rule, all financial adjustments will be made by the institution rather than allowing global adjustments in which the savings of the efficient entities are transferred to the non-efficient entities to cover their deficits.

In addition, we will establish an automatic deduction plan per agency to resolve the financial problem caused by the yearly payments to the IRHE [Institute of Hydraulic Resources and Electrification], INTEL [National Institute of Telecommunications], and IDAAN [Institute of National Aqueducts and Sewers].

The government is interested in reinforcing the training of government employees and at the same time it is working on the development and promotion of the administrative career. We have presented a bill to standardize the wages of the public sector as a first step toward the promotion of the administrative career based on a merit system. When the studies regarding the administrative and financial aspects of certain public entities, such as the IRHE, INTEL, and National Port Authority are completed, steps will be taken aimed at reducing the additional charge that these entities are imposing on the productive activities.

One of the main problems that the National Government is facing is the one regarding Social Security's financial situation. In the short-term this represents a current deficit problem because it is not receiving the second payment of the 13th month wages. The strengthening of this institution is a process that will take several years. The government will adopt all of the measures necessary to strengthen the Social Security Fund.

The integrated health system has proven positive, however. It calls for certain guidelines so that each entity within the sector will have established duties and financial responsibilities. In this manner, we will be able to achieve control in carrying out plans and in programming future budgets in a rational manner.

Regarding the transportation sector, we will follow an intensive mid-term policy to maintain the state's infrastructure. The state has built a broad network of roads for the production sector: these roads must be given the appropriate maintenance to avoid making the same investment twice. Nevertheless, we also have problems concerning urban transportation, which represents one of the most difficult problems to be solved in metropolitan areas.

Regarding international transportation, a better use of the airport's infrastructure will require the development of a cargo-handling center, not as an exclusive state activity, but in association with the private sector. This could also lead to other activities in the transportation sector. This also requires the establishment of a maintenance center for aircraft.

In the education sector, the country demands -- without any more delays -- the adoption of an overall, modern, scientific, and democratic solution that is strongly linked to reality and the moral and production goals of the Panamanian nation and the modern world. It is necessary to adopt the necessary measures for solving this situation in the best possible way and without delay.

Seeking to counter all of the problems, we have already begun talks with international financial organizations and the last mission that visited them, which comprised distinguished figures from the country's economic and political sector and achieved substantial progress toward an agreement that will be based on the proposals presented by the Panamanians. Our interest in presenting the Panamanian proposal at these financial organizations is aimed at achieving a positive solution to the foreign debt problem and safeguarding national interests.

Everything we have discussed is based on feasible proposals that have been presented over the last months by all of the sectors that are interested in our country's welfare, which is all the Panamanian people's welfare. We urge all of you to join us in this common effort because the homeland's present and future, and the destiny of future generations are at stake. We have the responsible support of all the government parties and we urge the opposition parties and organizations to do likewise.

It is morally and politically correct and beneficial for all the country's political opposition sectors to remain active, because this corresponds to a healthy and active democratic society. However, the Panamanian nation's interests should prevail above everything and we are all responsible for the country's development. We cordially invite these respected citizens to participate in this effort to overcome the crisis, strengthen our democratic institutions, and develop our country.

Nevertheless, certain delirious minorities exist in addition to the civic opposition, and they prefer to see the nation's society destroyed first rather than contribute to the solution of its general problems. We do not expect comprehension from them because they play an anti-national role. However, we do warn them that even though we are and will always be willing to hold constructive talks with all real Panamanian sectors, we will also deal with those small destructive groups with all the firmness of our Constitution and laws. In times of crisis the people demand appropriate solutions and we cannot afford to coddle those who stubbornly try to undermine possible solutions in their efforts to bring greater calamities to the country.

In addition to issuing this cordial invitation and firm warning, I also want to state the national government's recognition of the large number of political parties, civic and national organizations, professional organizations, labor unions, and distinguished persons who have been contributing the various projects and plans that have provided guidance for the preparation of this action and the development program. I want to extend this recognition to the Defense Forces, and their commander, who have persistently continued to exert themselves in order to positively contribute to the country's democratization and the strengthening of its constitutional institutions, since this represents the appropriate framework for renewing our faith that we will soon overcome all current problems.

To conclude, I wish to add that these guidelines for the Panamanian economic policy represent the road to be followed during the next years. Even though we are confronting grave problems, we will not convoke special Legislative Assembly meetings because we want the Panamanian people to know that we will always act without surprising anyone and the program will be adequately publicized in due time.

The important thing to bear in mind is that now, more than ever, current circumstances demand that the Panamanian family collaborate in solidarity to counter the century's challenges with a real national spirit, thus opening the doors of our homeland to the new millennium when we will have full sovereignty over our country. If the previous decade was characterized by the fulfillment of our goals concerning the geographic and political integration of our republic, the current challenge demands that all the Panamanians fully support the state and seek to achieve their own ideals and develop our national economy for the overall development and self-determination of mankind and, consequently, for our own society. We will develop these programs based on these general guidelines to achieve our goal. I will personally exert myself to the utmost so that these goals are fulfilled, based on the government's capacity, for the country's welfare as a whole.

Thank you.

BELIZE

PUP CONVENTION CALLS FOR ESQUIVEL'S RESIGNATION

FL010024 Belize City THE BELIZE TIMES in English 26 Jan 86 p 2

[Text] The national convention of the People's United Party, which took place in Belize City on Jan 19, 1986, approved policies for the new phase of the Belizean revolution. These policies applied by a PUP government would set Belize again on the right course to development and progress.

The economic policies would have avoided the loss of revenue which has occurred by the closure of the Libertad sugar factory, the cancellation of the Belcast project, the issue of import permits for food that can be grown locally, and the failure to collect the right amount of stamp duty on the sale of a large tract of land sold to foreigners. These blunders have deprived the revenue of millions of dollars which would have enabled the government to pay an increase of salaries and wages. The foreign policies would return Belize to a non-aligned status which would protect Belize from the violence of the East-West confrontation by keeping Belize free of the ideological struggle. These policies would also support the efforts for a new international order so that developing countries might obtain better prices for their exports. A PUP government would defend the territorial integrity and sovereignty of Belieze as non-negotiable in seeking a settlement of the Anglo-Guatemalan dispute. It would oppose and condemn apartheid of the racist South African Government. Such policies are consonant with the PUP philosophy over the years.

The policies approved by the convention support a PUP government in its defense of Belize's Constitution by protecting the civil service, ensuring the proper use of public funds, and defending the freedoms and dignity of the Belizean citizen. There were many promises made in the last campaign which now turn out to be false promises. They were made against the sound advice of church leaders who urged candidates to avoid making unrealistic promises. These promises have come home to roost for a government which has caused the loss of millions of dollars. In the circumstances, the convention had no alternative but to call on the Esquivel government to resign and call national elections.

BRIEFS

7.300 POUNDS OF MARIJUANA SEIZED -- Police seized seven thousand three hundred & eighty-four pounds of marijuana packaged in a cylinder on Monday Jan 20, 1986. The police raid took place at the traveller's liquor refinery on the northern highway. Three people were detained and charged the day following the raid. Another person is wanted for interrogation but is said to have fled the country. [Excerpt] [Belize City THE BELIZE TIMES in English, 26 Jan 86, p 1 FL]

COSTA RICA

REPORTAGE ON NATIONAL PRESIDENTIAL ELECTIONS

PUSC Accused of Unfair Practices

PA310429 San Jose Radio Reloj in Spanish 0100 GMT 30 Jan 86

[Text] The National Liberation Party [PLN] has denounced a maneuver by the Social Christian Unity Party [PUSC] in Zarcero.

Their objective in Zarcero is to confuse voters. The PLN claims that there have been phone calls from PUSC sympathizers posing as Supreme Electoral Tribunal members providing information about the electoral process that is far from correct.

According to reports from the green and white organization, a (?note) printed under the picture of the PUSC candidate that is being circulated aims to confuse PLN supporters during the campaign in Alajuela.

The PLN denounced a PUSC plan to make voters lose their cedulas [identification cards] on Sunday. According to the green and white organization, their opponents plan to infiltrate false PLN guides on election day. The guides would ask voters to show their cedulas and would then confiscate them, according to Jose Luis Urena, deputy candidate for (Lacuela), who urged his supporters not to give their identity documents to anyone.

PUSC Propaganda Banned

PA310411 San Jose Radio Reloj in Spanish 0100 GMT 30 Jan 86

[Text] As a result of a charge presented by the National Liberation Party [PLN], this afternoon the Supreme Electoral Tribunal [TSE] suspended the circulation of printed propaganda by the Social Christian Unity Party [PUSC]. That propaganda attributed several crimes to the PLN candidate and accused him of allegedly copying the government program of the majority opposition party. It also used offensive words that hurt the dignity and honor of Mr Oscar Arias. In the opinion of the electoral organization, this violates Article (?85) of the electoral code.

During a special session this afternoon, the TSE began to discuss a report presented by our ambassador in Mexico, Angel Edmundo Solano Calderon, on a charge presented against him by the PUSC. Magistrate Rafael Villegas Santillan said it is a very extensive document that calls for deep study. A statement in this regard will not be issued for a few more days. Our ambassador in Mexico presented the report at the request of tribunal magistrates who gave him 48 hours to present it after having been notified. According to the PUSC charge, Angel Edmundo Solano is guilty of political partiality for having participated as a speaker in a PLN meeting in Cartago.

Meanwhile, it was reported that a charge presented by the majority opposition party regarding the printing of PLN propaganda in the national printing press is still under study.

PUSC Concedes Defeat

PA030430 Panama City ACAN in Spanish 0411 GMT 3 Feb 86

[Text] San Jose, 2 Feb (ACAN-EFE) -- The Social Christian Unity Party tonight admitted its defeat in the general elections held today in Costa Rica. The elections have been won by the ruling National Liberation Party, a social democratic group, according to the partial figures provided by the Supreme Electoral Tribunal.

Ranking Social Christian leader Luis Manuel Chacon announced shortly before 2200 local time (0400 GMT) that the party had lost the elections. "The struggle is not over, however, it begins tomorrow," Chacon said.

PUSC Candidate Speech

PA030730 San Jose Cadena de Emisoras Columbia in Spanish 0455 GMT 3 Feb 86

[Speech by Candidate Rafael Angel Calderon Fournier of the Social Christian Party at the Irazu Hotel in San Jose; live or recorded]

[Text] [Words indistinct] the people that did not vote for us, who voted a little more for the other alternative which might be the best for Costa Rica. We hope that it will be best for our country. Costa Rica comes first. We have had 15 years of struggle already [words indistinct] of the many deputies.

[Words indistinct] Through those deputies we will also have the opportunity to promote a [words indistinct] for the country's interests. However, the most important thing we have contributed to the country is having been able to form this great party. [applause] We have been able to form a great party in Costa Rica, a party that [words indistinct] practically 45 or 46 percent of the votes. It managed to win in several provinces. It managed to set up a great structure. Now I will become a member of the Directorate of the party [words indistinct] to continue working.

We have had [words indistinct] for the last 4 years. Now there is less to be done in the future for our party to achieve victory. [applause, shouts] [passage indistinct] I did everything I could possibly do. There was nothing else to be done. [words indistinct] We expected to gain a majority [words indistinct] the trust of a great sector of the people. We will struggle for Costa Rica. We are in the battle between the parties. We have many elected deputies. We have many [word indistinct] elected, and we are all going to be in the struggle. [applause]

Thank you all, thank you all. All I have are words of gratitude. We have seen how everyone worked. All I have are words of gratitude. A few votes more for the other side [words indistinct] the majority of Costa Ricans. We want Costa Rica to forge ahead. We are in the trenches to struggle for Costa Rica. Long live Costa Rica. [applause]

Arias' Victory Speech

PA030700 San Jose Cadena de Emisoras Columbia in Spanish 0443 GMT 3 Feb 86

[Statement by Costa Rican President-elect Oscar Arias Sanchez, at the Corobici Hotel in San Jose -- live]

[Excerpts] I would like my first words to be of gratitude to all of you, friends, for so much trust, friendship, affection, faith, and hope placed on both Oscar Arias and Costa Rica. Exactly 1 year and 6 days ago, on 27 January 1985, I had the chance to share with many of those present here now a moment as joyous and filled with emotion as the one tonight. During an unprecedented event in the political history of this country almost 300,000 Costa Ricans showed up at the polls, and on that occasion I said that the only acceptable behavior for the winner was one of humility and magnanimity. Today, with even more reason, I again want to ask of you the same humility and magnanimity, because the victory is not only of our National Liberation Party and least of all of Oscar Arias, but is instead the victory of our democracy, the victory of our people, the victory of Costa Rica.

On that occasion, my friends, I also said: I will now consider it more important to lay bridges to unite than to build up walls to divide.

I once again tell you, exactly as I did 8 days ago at a gigantic rally held here in San Jose, that the flag we have raised for a long 38 years with legitimate pride should from now on remain in our homes. The only flag that we should raise from now on is the tricolor flag, the flag that is here in the hearts of all Costa Ricans. [applause]

Costa Rica has charted for us the course it wishes to follow and we will be impeccably loyal to that mandate. During my administration there will never be any disrespect for minorities, but neither will there ever be any faltering to separate us from the mandate of the majorities. [applause, shouts]

Those who were our adversaries during the electoral campaign have already ceased to be that and will now carry out the important task of being the opposition to the new government.

My (?good) friend, the Costa Rican listening to me on the radio, the Costa Rican I can reach at home through television, I very humbly wish to say that I do not have answers to all the problems, that in the horizon we have large challenges which demand new responses. We will have to find responses to these challenges together. It is not the exclusive task of the ruler; it is a shared responsibility between the ruler and those ruled.

I have made commitments, commitments to my principles, with my conscience, with the fundamental values that we inherited from the past. My only commitment is to my people and among those people, to the neediest and humblest ones, to the ones in need of the most help. My only loyalty is to the homeland.

Arias News Conference

PA030710 San Jose Cadena de Emisoras Columbia in Spanish 0503 GMT 3 Feb 86

[News conference by Costa Rican President-elect Oscar Arias Sanchez at San Jose's Corobici Hotel, live -- broadcast in progress]

[Text] [Moderator] Carlos Jimenez of Radio Monumental.

[Jimenez] Mr President-elect, this campaign has [words indistinct]. Do you believe the Costa Rican people attained a level of political maturity? Your opponents even used rude epithets against you and members of this administration [words indistinct] the elected president.

[Arias] Everything in life is relative. We might have found that the campaign was too hard or bitter [words indistinct]. That is why I want to compare this campaign to electoral processes in other countries. When we do compare it to electoral processes in other countries, we realize that this was a very smooth campaign. I do not believe we must get upset. Sometimes passion dominates reason. The truth is, dear friends, that at the end of this task and this day, we must feel extremely proud of being Costa Rican for this [word indistinct] feast. The truth is that not a drop of blood has been spilled, there has not really been any violence. We have a lot to be thankful for because we are a privileged people who can choose their leaders freely, something that other peoples in this continent are unable to do.

However, it is important to find ways to make the electoral process shorter and less expensive. This will be a priority of my administration. We have already examined a bill drafted by the Legislative Assembly. It was approved in commission. If it does not become law within the next 3 months, it will be extremely important to make it a law by May.

[Moderator] Guillermo Arana of APN.

[Arana] Mr President, will your foreign policy, particularly with regard to Nicaragua, follow President Monge's policy? If not, what changes will there be? What will be your first action for peace, which was one of your main areas of emphasis during the campaign?

[Arias] The overwhelming majority of Costa Ricans want peace. We -- as you foreign correspondents can see -- are a country that was forged by lawyers and teachers. [Words indistinct] That is why the most important legacy Mr Jose Figueres [former president of the Republic] left this country was an Army-free Costa Rica. [applause] The best legacy for this young country that concerns us so much, for our children and grandchildren, for the men and women who will live in Costa Rica during the 21st century, is a country without an army. We cannot develop our economy and at the same time spend our scarce savings on armaments, [words indistinct], tanks, and aircraft. [applause] The two things are incompatible. That is why throughout the electoral campaign we said many times that the great dilemma was either rifles or bread. Today the people chose: They chose bread. [applause]

We will support all initiatives that lead to a political solution to the conflicts that are burdening Central America: a political, not a military solution. Costa Rica, as the democracy it is, must become an active agent for peace. Our hands will not tremble when we must adopt all the necessary initiatives that will lead to a lasting peace on the Central American isthmus.

[Moderator] Now the members of the foreign press will ask questions.

[Indistinct name] [Words indistinct] of Panama's Radio Chiriqui. [Words indistinct] statement for Panama.

[Arias] I wish to reiterate the Costa Rican people's desire -- and that of its new government -- to maintain the friendliest of relations, the most cordial and brotherly relations with the Panamanian Government and people.

[Moderator] MIAMI HERALD.

[Unidentified reporter] Could you tell us [words indistinct] you will change the foreign policy implemented during President Monge's administration, specifically with regard to the presence in Costa Rica and the operation from Costa Rica of the anti-Sandinist rebels, Costa Rica's relations with Nicaragua, and its relations with the United States?

[Arias] Allow me to begin with your last question. With regard to the United States, our people [word indistinct] eternally grateful for the understanding, the help, and the support the U.S. Government and people have afforded Costa Rica. [applause] We hope that that help, support, and understanding will continue and grow. With regard to Nicaragua and the neutrality policy, I want to say that when we talk about neutrality we speak with utmost sincerity and frankness, with the truth. We want to be truly neutral. This means not to tolerate, not to be complacent about the enemies of the Nicaraguan Government so that they abuse our hospitality. Costa Rica has always been a country with a great tradition of asylum. Many hemispheric leaders lived with us during the past decades. We want to preserve that beautiful tradition of granting asylum because our country has everything, including [words indistinct] any Latin American who is persecuted politically will know that he will always have a little country, a little peace of land that will always welcome him with an open heart.

[applause] However, that hospitality and asylum must not be abused. That is why when neutrality was proclaimed we were very clear that that asylum and hospitality is for those political leaders who want to receive from us and who can really hold political activities, but never military ones that might jeopardize our sovereignty. [applause]

[Moderator] Sergio Gonzalez of COLPRENSA, Colombia.

[Gonzalez] Costa Rica is one of the most [words indistinct] What will be the principal aspects of your policy in this field?

[Arias] Not wasting the bonanza that we will have in the next few years. Since to rule is to educate, as Sarmiento used to say, we must educate our 80,000 coffee producers so we will not squander the income resulting from a sudden coffee price increase. During the fat period that might result not only because of the coffee price increases, but also because of the oil price decline, we should prepare for a possible lean period. We will have to talk, seeking to convince, not defeat, using persuasion so the coffee producers will really prepare themselves for more difficult times in the future. We all know that that price increase will not be a permanent one, that production will someday increase again and prices will again decline. That is why with great seriousness and patriotism we must convince the small producers so they will prepare themselves for the difficult period that might come very soon. I am sure that Costa Ricans will understand this. I am absolutely sure that we will receive all their cooperation because it is for the very benefit of that invaluable national industry -- our 80,000 coffee producers. [applause]

[Second unidentified reporter] Mr President, will your government support the Contadora Group in order to achieve peace in Central America?

[Moderator] [Words indistinct] the question please?

[Reporter] [Words indistinct] "The World at the Moment" newscast.

[Arias] Comrade, as I said earlier, we will endorse any initiative in search of a peaceful solution for Central America. If it comes from Contadora, good; if it comes from any other group or country, good. [applause]

[Moderator] The colleague from Sweden now has the floor.

[Reporter] Mr President [title as heard] you have just said that democracy is dialogue and that the source of the initiative is unimportant. My question, therefore, is: Are you willing to hold a dialogue with Nicaragua's President Ortega?

[Arias] We will do it [?but) in this regard we have been extremely clear. It is President Monge's policy and I expect to continue it: [applause] It will be done, but only in a multilateral context, not a bilateral one. [appluse]

[Moderator] The last... [applause] the last response will be for (Gaetano Pandolfo) of the newspaper (?UNIVERSIDAD).

[Name indistinct] University students gave you total support during your electoral campaign. It is hoped that tonight you will have a message of hope (?in view of) the budget problems. [applause]

[Arias] (?I know), friend Pandolfo. (?I know very well about) the response of the university community, of that army of Costa Rica's 70,000 university students, which honors us.

I know very well about the support I received. I only hope that on 8 May 1990, none of those university students who trusted Oscar Arias will regret having voted for me today. [applause, shouts] [words indistinct] And after politics I aspire to return to that very university classroom. Therefore, a very fraternal greeting and my eternal gratitude to Costa Rica's university students for trusting Oscar Arias. [applause]

NICARAGUAN AMBASSADOR ACCUSED OF PERJURY

PA312022 San Jose Radio Reloj in Spanish 1200 GMT 31 Jan 86

[Text] The Nicaraguan ambassador has been accused of perjury. Yesterday, Joaquin Vargas Gene, director of LA REPUBLICA, filed suit against Nicaraguan Ambassador Leonor Arguello at the 3rd Court of Investigations for alleged perjury. This is a countersuit to the one filed by the diplomat in connection with a counterfeit letter that she allegedly sent to former President Jose Figueres. In this connection, Francisco Castillo, the ambassador's lawyer, pointed out that the lawsuit on the counterfeit letter has not yet been resolved, and yesterday's suit is contingent upon it. In addition, the ambassador has diplomatic immunity, which only her government can cancel, and her statements to the courts concerned objective matters such as the forging of her signature.

EL SALVADOR

DUARTE REITERATES WILLINGNESS FOR DIALOGUE

PA010413 San Salvador Television Educativa in Spanish 1230 GMT 31 Jan 86

[Interview with President Jose Napoleon Duarte by unidentified reporters; date, place not given -- live or recorded]

[Text] [Duarte] First, I measure the political space the country has and then measure the measures I must adopt at a specific moment. I do this so that the measures will be within the political space and prevent destabilizations. At a specific moment in La Palma, I felt that the political space I had was sufficient and that is why I suggest the idea of a dialogue. At that time, the gentlemen terrorists, the gentlemen guerrillas, did not understand what I said and exaggerated the problem to such a degree that the political space was decreased. Therefore, I have had to work to create the political space to resolve the problem and once again attempt to open the space for a dialogue.

In the meantime, other sectors have also reduced the political space. I am sure all of you (?are aware of this). All of the terrorism carried out until now, for example, the destruction of pylons that have left many areas without electricity, and the fact that this destruction has forced us to ration (?electricity), has also reduced the political space. Therefore, what I must do is open the spaces for each of them. Therefore, at this moment I cannot add more things into the space we have. When the economic crisis has been overcome, and once we achieve an economic initiative, we must then determine what to do within the next political space.

[Question] Sir, this political phenomenon and the economic crisis you have mentioned are caused by the guerrillas destruction, their attack on the economic basis of the country. Can't the two aspects become one in an attempt to resolve the military and economic problem?

[Duarte] No. What I am confronting are chronic problems in the economy, not additional problems created by the guerrillas.

The economic problem includes a maladjustment of the balance of payments. This is due to a decrease in revenue and an increase in expenditures. The war problem affects this economic problem; however, its effect is relatively minimal because the economic problem is much greater. We are confronting a structural problem and not a circumstancial problem.

You have asked me a question that would imply including the circumstantial problem of the guerrillas within the economic package. This is why I am making the fiscal changes. I am doing it to cover the circumstantial problem created by the cost the war represents.

[Question] You said you are working on the dialogue issue. How? Is it possible the dialogue will be renewed some time this year?

[Duarte] No. Once again we must look for the political space. I have already told them [guerrillas] that if they want to discuss peace then I am willing to discuss it. However, I am not willing to discuss war or a tactical dialogue. I am not willing to hold a solely propagandistic dialogue. What I am seeking is an honest and sincere dialogue that will respect the Constitution and the democratic state, and allow all the sectors to join the national life. This is what I have always said. Why? Because no political space is needed for this, because democracy itself includes the decision to dialogue and to dialogue with all sectors even those subversive sectors that wish to search for peace.

There is something that is very interesting. Many have talked; many have gone to the headquarters and asked for their safe-conduct. There are many who have even surrendered their weapons. Today they are living peacefully in the country. There are hundreds upon hundreds of former guerrillas who are living in the country peacefully today; they are no longer living with the anxiety of being in the mountains and ensuring all of the problems that living in the mountains represents. Many of them have already adopted decisions. We have the Catellano [not further identified] case; there are politicians who have adopted decisions ~~and~~ who have put aside the process of violence. Little by little they are becoming aware of the fact that violence is not the solution. The people know that violence is not the solution and that peace is the only solution. But for peace to be achieved, there must be a will for peace.

[Question indistinct]

[Duarte] I accept criticism; however, I cannot accept intransigent attitudes that could destabilize the country. [words indistinct]

OCHOA PEREZ, 8 ARMY COMMANDERS TRANSFERRED

PA020216 Panama City ACAN in Spanish 0130 GMT 2 Feb 86

[Text] San Salvador, 1 Feb (ACAN-EFE) -- A total of nine military chiefs were removed from their commands in the Salvadoran Army, according to a general order.

Through an official communique, the Army reports that the transfer of the military chiefs are routine changes carried out in the Armed Forces personnel cadres.

One of the most significant changes is that Colonel Sigifredo Ochoa Perez, until recently commander of the 4th Infantry Brigade, headquartered in El Paraiso, in the northern Chalatenango Department, has now been appointed Salvadoran military attache in Washington.

Ochoa Perez, considered as one of the most outstanding military commanders of the counterinsurgency struggle, had some differences with the government at the end of December last year, due to the Christmas truce. President Jose Napoleon Duarte accepted a 10-day truce during Christmas and New Year's as requested by the Catholic Church, which consisted of the suspension of all offensive operations on the part of the Armed Forces. Meanwhile, Col Ochoa said at the time that his troops would not stop the counterinsurgency operations from 24 December 1985 to 2 January 1986 because he had not received such an order.

In January 1983, Col Ochoa, at the time commander of the Military Detachment 2 of Sensuntepeque, disobeyed orders from General Jose Guillermo Garcia, who was then defense minister. On that occasion, Ochoa demanded the resignation of Gen Garcia, with whom he disagreed on the way he was conducting the war.

Lieutenant Colonel Gilberto Rubio will replace Ochoa Perez, as commander of the 4th Infantry Brigade.

Rubio, commander of Military Detachment 3, headquartered in La Union, will be replaced by Lieutenant Colonel Guillermo Alfredo Benavides.

Benavides, commander of the Antiguerrilla Warfare General Ramon Belloso Battalion, will be replaced by Lieutenant Colonel Jose Humberto Gomez, who was the National Guard assistant director.

Colonel Jose Dionisio Hernandez, commander of Military Detachment 6 of Sonsonate, will be the National Guard new assistant director. Colonel Benjamin Ramos will be the new commander of Detachment 6.

Col Ramos, commander of Detachment 1, headquartered in Chalatenango, will be replaced by Lieutenant Colonel Natividad de Jesus Caceres, currently Treasury Police assistant director.

Colonel Lisandro Zepeda, who held an administrative post in the Armed Forces General Staff, will be the new assistant director of the Treasury Police.

Colonel Carlos Angel Aviles, of the Armed Forces Joint General Staff, has been appointed military attache in Honduras.

The Salvadoran Army reiterated that the changes carried out in the Armed Forces commands are routine.

REGIME TO CENSOR BROADCASTS; SUBVERSION CITED

PA021328 San Salvador LA PRENSA GRAFICA in Spanish 31 Jan 86 pp 2, 70

[Text] During a press conference yesterday, Culture and Communications Minister Julio Adolfo Rey Prendes said: We will not permit messages that encourage subversion and coups.

In order to reorient the news media's information policy in the country, the minister said that messages to be broadcast over radio and television will be reviewed to avoid illegal actions masked as legal ones.

To reach an accord as to how information should be handled in a state of war, the Culture and Communications Ministry has invited representatives of the Salvadoran Association of Broadcasters, ASDER, and other sectors to give all possible cooperation in this regard.

Rey Prendes said that he would first of all appeal to all political parties and other organized groups in the Salvadoran society to ponder this and respect the liberties in force in a democratic regime. He also said: We accept criticism, but we will not permit outrages to our tolerance by the broadcasting of messages that incite people to subversion, violence, and the ousting of the legally established government.

Noting that dialogue has not been dismissed as a means to find a solution for violence in the country, Rey Prendes said that meeting or an accord with guerrillas to humanize the conflict, seek peace, and keep democracy is not impossible. He said, however, that there are serious deterrents to this caused by the objectives being sought by the guerrillas and the rift between the FDR and the FMLN. He added: The government is willing to continue a dialogue for peace anywhere in the world without making it a piece of propaganda.

The official reiterated his appeal to the guerrilla groups to join the democratic system. He said: We can work with the FDR and invite it to participate in an election process. We can discuss many things with the FMLN, like the Panama accords. He concluded: This means that a meeting is not impossible -- through the mediation of the church -- to humanize the conflict and clear the panorama, provided they keep the objectives in sight and join the democratic process.

The minister feels confident that the economic measures will attain their objectives. Otherewise, other, perhaps more powerful measures will have to be implemented. He indicated that the government has received the cooperation of all the democratic reactivation of the country's future. He asserted: Those who disagree, criticize, and threaten the government could cause the implementation of other economic measures of greater social effect.

The official stressed his confidence that no protest by the subversive groups will influence the people, who trust the democratic system and the government's actions to defend the people and resolve the economic crisis.

GUATEMALA

CEREZO WELCOMES 'ALLEGED' FALL OF HAITI'S DUVALIER

PA312311 Panama City ACAN in Spanish 2205 GMT 31 Jan 86

[Text] Guatemala City, 31 Jan (ACAN-EFE) -- Today Christian Democratic President Vinicio Cerezo Arevalo expressed his solidarity with the Haitian people and his "satisfaction over the fall" of President-for-Life Jean-Claude Duvalier.

After holding a meeting with his ministers, Cerezo Arevalo said he had learned of "an alleged toppling of Duvalier, according to reports reaching this capital, that would be welcomed because there must be no dictatorships or unpopular governments in Latin America." "The people of Haiti must move toward democracy and any such indications are welcomed," Cerezo told ACAN-EFE, reiterating that "Haitians must break out of that stagnant dynastic government." "Any action that tends to strengthen democracy in a country must be viewed with goodwill as long as it is not suppressed and can be publicly expressed so that the people will be lead by a government they truly deserve, because dictatorial regimes must become past history," the Guatemalan president, who assumed office on 14 January, added.

Haiti only has consular relations with Guatemala, and in fact, today Jackes Seidner, Haitian consul general and charge d'affairs, left the country, that diplomatic mission told ACAN-EFE.

UN RIGHTS OFFICIAL MEETS WITH CEREZO 30 JANUARY

PA311641 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 30 Jan 86

[Text] Viscount Culville de Culross, special rapporteur of the UN Human Rights Commission, met with President Vinicio Cerezo Arevalo today to discuss the plans the new civilian government has to respect human rights.

After the meeting, the visitor said he came to Guatemala to observe the changes implemented in human rights affairs in the country and to learn of government plans in this regard. He praised the democratic process in Guatemala, which culminated in the inauguration of a civilian president, and congratulated Guatemalans for this achievement.

He added that in 2 weeks he will have to wirte a report for the UN Human Rights Commission and that he will meet with some ministers and other officials. He also said that he will go to the country's interior as part of his mission. He disclosed that he expects to meet with leaders of the Mutual Support Group for Human Rights in Guatemala, which is demanding information on the whereabouts of hundreds of missing people in the past few years.

The UN special rapporteur arrived in Guatemala unexpectedly last night and will leave on Sunday.

According to Foreign Ministry reports, Viscount de Culross will meet with members of the private sector. However, the Foreign Ministry warned that this information is unofficial.

SALVADORAN VICE PRESIDENT ON BILATERAL TIES

PA312257 Guatemala City EL GRAFICO in Spanish 30 Jan 86 p 8

[Report on an interview with Salvadoran Vice President Dr Rodolfo Castillo Claramount by unidentified EL GRAFICO correspondent in Guatemala City on 29 January]

[Text] Dr Rodolfo Castillo Claramount, vice president of El Salvador, met for 2 hours yesterday with Foreign Minister Mario Quinonez. After the meeting, he agreed to answer the following questions:

EL GRAFICO: What is the purpose of your new visit to Guatemala and your meeting with Foreign Minister Mario Quinonez?

Castillo: This is my first official visit to the new Guatemalan Government. We had a long and very interesting meeting. I have come to pay my respects and to meet him in person. After all, we will be working together very closely for a long time. Undoubtedly we plan to make many efforts to promote democracy, peace, and freedom in Central America.

EL GRAFICO: Did you discuss a particular bilateral issue?

Castillo: For instance, we discussed some measures regarding the interconnected electricity system, which is old, and needs to be modernized. Moreover, this is President Cerezo's wish. We are going to advance this greatly.

EL GRAFICO: We understand that you discussed something regarding the border between the two countries.

Castillo: Yes, we have discussed forestalling certain problems that could arise regarding the territorial border on the La Paz River, problems that the two governments want to prevent.

EL GRAFICO: Are there already some commissions for this purpose?

Castillo: Yes, I believe that these border commissions will be reactivated so that they may again consider possible problems that could be prevented.

I do not think there will be any problems because we have defined the border perfectly. However, it is always better to forestall any kind of problems that could happen.

EL GRAFICO: What is your opinion of the joint missions?

Castillo: There is an old agreement that was signed by Guatemala and El Salvador -- in an attempt to reduce labor, costs, and personnel -- to consider the possibility of establishing joint diplomatic as well as consular missions. We think that it would be most appropriate to start with consular missions, which are easier. They could be opened in locations where neither Guatemala nor El Salvador have such missions, let alone diplomatic missions.

HONDURAS

REPORTAGE ON ARMED FORCES CHIEF'S RESIGNATION

Lopez Reyes' 30 Jan Interview

PA311449 Tegucigalpa Voz de Honduras Network in Spanish 1330 GMT 31 Jan 86

[Interview with General Walter Lopez Reyes, commander in chief of the Armed Forces, by journalist Andres Torres on 30 January -- recorded]

[Text] [Lopez Reyes] The information that I can give you at this time is that we held a meeting with the commanders of the forces and the chairman of the joint staff to analyze the situation, and I have reconsidered my resignation. Tomorrow we will be meeting with the Superior Council of the Armed Forces at 1300 to bring up some facts for the information of the command. I am logically doing this solely thinking about the well-being of my country and the institution and for the tranquillity of the people and all those who have been following the events with concern. I can tell them that everything is calm in the military institution and that it is aware that we have to fulfill our mission to the letter. We will always be ready and alert to protect our territorial integrity.

[Torres] Gen Walter Lopez Reyes, we understand that the constitutional president influenced your decision to withdraw your resignation.

[Lopez Reyes] We held an exchange of ideas this afternoon. He asked me to meet with him and we reached the conclusion that I should reconsider my decision for the benefit of everyone concerned. I am logically a subordinate because he is the general commander of the Armed Forces. I understood this concern, so I told him that we would try to resolve this matter in the best manner so that the Honduran people and the military institution would benefit.

[Torres] But have the reasons that led to your resignation disappeared?

[Lopez Reyes] Yes, Andres. I want to reaffirm what I said in the morning, that they were personal reasons. The military institution does not have any problem of, let us say, lack of discipline and corruption. The citizens should erase that from their minds. Although there might be some problems, as is natural within any organization, I do not think they are so great as to be insurmountable.

[Torres] Gen Lopez Reyes, it is strange that a 45-year-old like you would be tired. It has been said that the reasons were that some orders that you had issued were being questioned.

[Lopez Reyes] No, Andres, it was not that. We make our decisions in the meeting of commanders and they are fulfilled. We still have many places for the organization. It is at that level that we discuss the best place for each of the commanders in the Armed Forces. The tiredness to which I was referring is not physical but above all mental. I have been working intensely for the past few months and logically there were pressures that were not only work pressures but also pressures related to the job and the profession.

[Torres] The Honduran people know that you are one of the shapers of this democratic system, which is gaining strength daily. It would have been unfortunate if you had left that effort midway just when we are seeing results now.

[Lopez Reyes] Thank you, Andres. The military institution is aware that this is the best formula for Hondurans to move ahead. If with our attitude and efforts we help to strengthen the system, then we will continue on that path. We have already seen that its fruits are beneficial for internal peace and clam, and in the international arena we are seen as a nation that is slowly but surely progressing and taking steps so that our country will be a democratic nation with a system of law and order. Aware of this, we continue with that same policy, and I will be at the head of the institution until I conclude my constitutional term. We will continue to make greater efforts so that the ties between the Armed Forces and the various sectors of the civilian population will continue to be strengthened, and we will continue to remain watchful so that Honduras' interests will always be defended.

[Torres] Will there be changes in the high command of the Armed Forces, especially at the level of brigades and battalion units?

[Lopez Reyes] I cannot give you any information. We do plan some changes, but they are not major. However, everything depends on how each of the forces have their cadres organized. If the changes are advisable, they will be carried out, but if they are not, everything will stay as it is.

[Torres] So that the Honduran people will not have any doubts, it has been said that your differences are with the fifth graduating class of officers [quinta promocion de oficiales]. Is this true?

[Lopez Reyes] No, no way. None of the graduating classes have had big disputes.

It is true that there are differences of opinions, but they are not so deep as to say that one or another graduating class has differences with each other or that one class wants to impose its view. That is not true.

[Torres] I want to tell you that we are very happy that you will continue to be commander in chief of the Armed Forces because you have established a new philosophy, a new democratic spirit in the military institution. We believe that under your leadership, the Armed Forces will always walk side by side with the Honduran people. Do you have anything to add, Gen Lopez Reyes?

[Lopez Reyes] Thank you for your kind words. Believe me that they encourage us to continue with our attitude and rectitude. We will always be ready to defend our homeland's interests and we will be alongside the people to defend their interests.

[Torres] You will definitely not resign and will continue until January 1987?

[Lopez Reyes] Yes, if God permits.

[Torres] Thank you, general, and excuse us for any inconvenience.

[Lopez Reyes] That is okay, I am at your service.

[Torres] Good night.

Armed Forces Communique

PA010327 Tegucigalpa Voz de Honduras in Spanish 0236 GMT 1 Feb 86

["Special Armed Forces Communique" issued by the Armed Forces Public Information Directorate in Comayaguela on 31 January -- read by announcer]

[Text] The commander in chief of the Armed Forces reports the following to the public:

1. Due to strictly personal reasons, he had decided to resign but, given the commotion and unrest that arose in the country following the announcement, he has decided to disregard those reasons and continue carrying out his high responsibilities.

2. In addition, he wants to clearly and definitely state that the personal reasons he originally claimed, which correspond to the overwhelming work the post entails and which were generated by the recent conflict in the country in which the Armed Forces played a leading role, have nothing to do with any kind of pressure, much less of a military nature, or with the existence of corruption, disloyalty, discipline, or lack of professionalism in the corps.

3. His desire to retire from the Armed Forces commander in chief post never sought to affect the Armed Forces to provoke unrest in the Republic in any way.

4. He is deeply thankful for the expressions of solidarity for the Armed Forces received from the most diverse sectors of Honduran society.

5. This same day, and during a special meeting of the Armed Forces Higher Council, he explained the reasons previously stated, which were fully accepted and supported by all of the members of this top-level military organization, as clear proof that there is no conflict among the various members or officer ranks in the Armed Forces. Quite the contrary, a real strong unity prevails now more than ever among its members.

6. The Armed Forces commander in chief reiterates to the Honduran people the assurances that all of its members will seek to strictly abide by the norms established in the Constitution, serving the Republic with their highest patriotism, capabilities, and professionalism.

Comayaguela, 31 January 1986; Honduran Armed Forces Public Information Directorate

Irrevocable Resignation Accepted

PA011923 Tegucigalpa Domestic Service in Spanish 1852 GMT 1 Feb 86

["Special Armed Forces Communique" read by the public relations director of the Armed Forces, Major Jorge Arguello — live]

[Text] The Superior Council of the Armed Forces hereby notifies the Honduran people that at 0800 today, Saturday, 1 February it held the second special session this year that was urgently called in order to learn of the irrevocable resignation presented before this organization by Brigadier General Walter Lopez Reyes. General Lopez Reyes has resigned from his post as commander in chief of the Honduran Armed Forces, based on Article 36 Section 2, Paragraph B of the Armed Forces Law.

This resignation has been unanimously accepted and according to Article 281 of the national Constitution of the Republic and Article 35 of the Armed Forces Law: In the event that there is a definite absence of the commander in chief of the Armed Forces, the Superior Council of the Armed Forces will propose, within the following 15 days, a list of candidates from which the National Congress will elect the person who is to fill the vacancy for the remainder of the term the predecessor had been elected. The chairman of the Joint Chiefs of Staff will fill the vacancy until the replacement is elected.

Tegucigalpa, Central District, 1 February 1986

[Signed] Public Relations Directorate of the Honduran Armed Forces

Presidential Communique

PA012235 Tegucigalpa Voz de Honduras Network in Spanish 2145 GMT 1 Feb 86

["Press Communique" issued by the Secretariat of the Presidency, read by unidentified official — live]

[Text] The government of the Republic hereby notifies the Honduran people of the following:

1. Early this morning, the Superior Council of the Armed Forces requested President Jose Azcona to hold a meeting with a delegation from the Council in order to report to him on an extremely urgent issue.

2. The delegation from the Superior Council of the Armed Forces was received at 1100. The delegation included the following officers: Infantry Colonel Command and Staff Graduate Leonel Aquiles Riera Lunati; Air Force Colonel Commandant and Staff Graduate Marco Tulio Rivera; Police Lieutenant Colonel Cristobal Simon; Frigate Captain Cristobal Cano; and Infantry Lieutenant Colonel Command and Staff Graduate, Mario Amaya. They reported to the president on the irrevocable resignation presented by the commander in chief of the Armed Forces, Brigadier General Walter Lopez Reyes, to the Superior Council of the Armed Forces. Copies of the resignation letter and of the special communique the Armed Forces would later announce to the Honduran people were presented to the president of the Republic.

3. The constitutional president of the Republic, Jose Azcona, acknowledged receipt of the report presented by the delegation,and said that the resignation should then follow the procedure established by the Constitution of the Republic and the corresponding law.

4. The president acknowledges the efforts of Brig Gen Walter Lopez Reyes for the improvement and professionalism of the Armed Forces, and his zeal in defending the national interests as well as his compliance with the provisions of the Constitution and other laws of the Republic.

[Dated] Tegucigalpa, 1 February 1986; Press Secretariat of the presidency of the Republic

Lopez Reyes' 2 Feb Interview

PA021915 Tegucigalpa Voz de Honduras in Spanish 1436 GMT 2 Feb 86

["Exclusive" interview with General Walter Lopez Reyes, former commander in chief of the Armed Forces, by reporter Domingo Florez at the diplomatic room of Toncontin International Airport in Tegucigalpa; live telephone relay -- several brief breaks in transmission identified as "break"]

[Text] [Florez] We will talk about your resignation as commander in chief of the Armed Forces. General, what happened in [word indistinct]?

[Lopez Reyes] Dear Friend, first I want to thank you for this opportunity. Secondly, I want to greet all HRN friends and to tell (?Anau) to buy better equipment because your equipment has been failing since you approached me at the entrance to the airport.

On the other matter, there isn't much to say, Mingo. The topic has been[break] discussed [break] pertinent and I don't think I can add anything to it.

[Florez] General, is it true that you asked the president for permission to leave the country? [break] According to the bulletin, you stopped being commander of the Armed Forces at 0800 yesterday.

[Lopez Reyes] I have to do so because I am still in service in the Armed Forces and it is [break] to receive the pertinent permission to leave the country and at the same time to get authorization for a vacation. [break] Gave his approval yesterday and [break] of the note. I will be out of the country for 2 or 3 weeks, and then I will return.

[Florez] The Honduran people gave you a special reception during the time you were commander of the Armed Forces. You knew how to earn the sympathy of Honduras and how to make friends. [break] your separation from this post. Are there are internal problems within the Armed Forces which caused this? We know you. We know that you exercise every day and keep yourself in shape. How is it that [break]?

[Lopez Reyes] I made that decision for various reasons, most of all because of the overwhelming nature of this work and [break] sitautions that occur in this profession because what it produced was not physical but mental exhaustion. Therefore, I made this decision [break] November. On this occasion, I went ahead with it because I believe it was the best time. I couldn't do it last year because we were in the midst of the electoral process and thus, we believed it wasn't advisable to do it then. However, the time has come and there shouldn't be any concern about it. Every effort I made was because of the love I feel for my country and the affection I feel for everyone. My friends stem from those roots, the people's roots. I also did this because of my love for the institution I have always loved and still love. I have always said that it doesn't matter what you have to do, even spilling your own blood, for a just and noble cause, for the principles, and the values that must be revived in this country.

[Florez] So it isn't worth it to be honest in this country?

[Lopez Reyes] Well, that I couldn't [break] or answer you because I wouldn't trade them, ever.

[Florez] General, your situation is much different from that of any other command of the Armed Forces. Many citizens are deploring your separation. Did you think about this before you submitted your resignation?

[Lopez Reyes] You carry the love for your country inside your heart. I meditated a lot about this, and it doesn't mean that I have turned selfish. I [break] my country, I always thought of my friends. But the time comes when a man must decide [break] thorough analysis of some opportunities [break] with comrades who were close to me [break] cause damage, in one way or another, to a certain group of comrades. However I repeat, when a man makes a decision, it is because of personal reasons. I can tell you though that when I return, with my health restored, a clearer mind, and a stronger spirit, I will start what I decided to do many years ago: to continue fighting so that people can have their rights, so that the democratic system become a reality, and so that Morazan's ideals will prevail forever.

[Florez] Will you retire from the Army?

[Lopez Reyes] I will do whatever the armed institution orders because I am still on active duty. I will also decide whether to retire because I want to devote myself to something which will probably be banned by the law. I must put my mind in order so I can make a final decision. I will have to fight side-by-side with those who will help me in all this.

[Florez] General, you had a plan. I don't know if you still have it. You had planned to work with the country's peasant groups. You almost had a loan approved for this. Will you continue with this, despite the fact that you are withdrawing as commander in chief?

[Lopez Reyes] It is logical Mingo, it is one of my thoughts.

If I can contact my friends in the United States I will make the efforts in that regard too. We have a project. Several people gave me advice on that. Upon my return, we already planned, jointly with the labor forces, to begin to draft a document we want to complete. This document will bring much benefit for most of the people.

[Florez] Will you enter party politics later on?

[Lopez Reyes] I don't think so because it is an area in which you have to have much experience. It is also an area in which you have to fight for years. However, one doesn't know what turn life may take, and I can accept any challenge.

[Florez] General, won't these programs you want to implement in the country cause you some personal problems? Or were these the problems that prompted you to leave the Armed Forces?

[Lopez Reyes] I don't believe so. When you seek benefits for the people and respect for their rights, I don't believe that it can be a hindrance to any organization or to individuals. On the contrary, I think it is praiseworthy when this is done. If these programs imply that they will benefit all, then one must fight for them. Idealists have died because of this. When you have principles and causes, I repeat, one must fight to the end.

[Florez] There are very few men with dignity, honesty, and seriousness in Honduras. At 44, your opportunities could be enormous within the country's political arena. Have you analyzed this situation, General? With your attitude, and after gaining so many sympathizers, could you devote yourself to that, taking into account that this country needs honest and dignified people?

[Lopez Reyes] I believe that are many honest and dignified people. I also believe that there are men who want to make our country move forward. All we have been lacking here is the courage to face challenges. However, I believe that any task can be undertaken when you form a group of citizens who are aware that the country needs the efforts of men with specific qualities. Therefore, the only thing we must do is never to lose faith in this country.

[Florez] General, did the commission appointed by the Armed Forces Superior Council to visit the president and tell him about the decision made in its second session also, visit you to tell you about its decision?

[Lopez Reyes] Another commission visited me the night before. It was different from that which visited the president.

[Florez] General, was that courage to face problems and life's challenges the price you paid for the office as commander of the Armed Forces?

[Lopez Reyes] I don't believe so. The Armed Forces are also aware that efforts must be made. If we look, quantitatively, at those who are suffering, we realize that the Armed Forces are aware of that . Certain projects that will benefit the peasants will be implemented. Therefore, I would say that what we need is to become closer and have close contact with all the sectors in order to implement these ideas.

[Florez] Have you had a chance to talk with your friends within the Armed Forces Superior Council?

[Lopez Reyes] No, not yet. This has been rather quick and, as you know, I am leaving for the United States right now. However, I believe that upon my return... [changes thought] I have not been banned from talking with them later on.

[Florez] The names of three candidates have been mentioned to make up the list of three that will be submitted to Congress. They are: (Spide), Riera Lunatti, and Thuman Cordon. According to Armed Forces regulations, who has the best chance to get your position?

[Lopez Reyes] It is a decision that must be made by the Superior Council. As I said before, there are many individuals who have qualities for the post. What is needed is a good group of men so that the one who gets to be commander can carry out his work.

[Florez] Will you be an Armed Forces adviser when you stop being the commander in chief and when you return to our country.

[Lopez Reyes] Definitely, yes. That is automatic. When you are in situation like mine, the law states that you become an adviser to the commander in chief.

[Florez] The Superior Council of the Armed Forces did not ban you from this, or from leaving the country, or from the possibility of returning to the country?

[Lopez Reyes] No, not at all. I talked with Colonel Thuman Cordon last night, on the contrary, he asked me to help.

[Florez] Colonel, you didn't get dizzy with power so I imagine that being without it won't make you dizzy either.

[Lopez Reyes] I didn't get dizzy in airplanes and they were part of may profession. So, I believe that what one must do is to overcome certain situations and continue fighting.

[Florez] In 1969, you were one of Honduras' heroes. Could you recollect some of that?

[Lopez Reyes] That is something that cannot be forgotten. On that occasion, we faced situations that convinced us of why we should fight. Logically, we fight with faith in God, for our people's faith, and because we believe that our nation must remain free, sovereign, and independent.

[Florez] Our last question will be made by Companero Jose Danilo Izaguirre.

[Izaguirre] You played an important role in overcoming last year's political crisis. Don't you feel that your resignation will sow uncertainty early in this administration?

[Lopez Reyes] No, I discussed it with President Azcona. It was one of his concerns. I told him that he shouldn't worry. The Armed Forces will continue to maintain the policy of supporting the system. It is a duty to keep him in power and fight so that anything that can turn into a crisis can be stopped in time.

[Florez] A final message for the Honduran people, General?

[Lopez Reyes] Well, Mingo, I want to thank you and all other media members and tell you that you will always have a friend in me, and that you must not lose faith in God and our people and continue your efforts to guide them.

AZCONA DELIVERS SPEECH TO DIPLOMATIC CORPS

PA010351 Tegucigalpa Radio America in Spanish 2215 GMT 31 Jan 86

[Statement by President Jose Simeon Azcona Hoyo during a meeting held with the diplomatic corps accredited in Tegucigalpa on 31 January -- recorded]

[Text] Honorable chiefs of the diplomatic missions and international organizations, Messrs presidential designates, Messrs secretaries of state, ladies and gentlemen: First, I would like to thank the representatives of friendly nations with accredited missions in Honduras for having accepted my invitation to meet to exchange views, gather as friends, and discuss matters of common interest between the countries you represent and Honduras. I would also like to take advantage of all international treaties, the peoples' rights to have their own governments and, moreover, we will maintain cordial relations with all of the countries with which we have diplomatic relations.

Today, before the entire diplomatic corps accredited in Honduras, I am reaffirming my faith and trust that thanks to the Contadora Group's actions and initiative, and with the disinterested consensus of the countries comprising the Support Group, we will reach a solution to the Central American problem. That is my wish, and we are going to do our best to achieve it.

To the countries or the representatives from countries that are cooperating with Honduras, we ask you to continue helping us. Within the framework of relations based on dignity and respect, I would like to see that cooperation stimulated and increased. Through the Foreign Secretariat, you can be sure of my total determination so that our collaboration increases. To the other countries with which we have always had ties of cooperation and collaboration, my government will always be open to you. Not only will the Foreign Secretariat be open, but the Presidential House will also be open to any diplomat or representative who may have to go there to find a solution to any problem involving the two countries. The doors will be open, and I hope to continue counting on your support. You have my gratitude. May your stay in Honduras produce the best results for your diplomatic work, as well as for the well-being of your countries and Honduras. Thank you very much. [applause]

AZCONA ADDRESSES PRESIDENTIAL HONOR GUARD

PA311635 Tegucigalpa Domestic Service in Spanish 1130 GMT 31 Jan 86

[Speech given by President Jose Simeon Azcona Hoyo at a ceremony for the transfer of command of the Presidential Honor Guard at Presidential House on 30 January -- recorded]

[Text] Commanders, officers, noncommisoned officers, security corps, soldiers, and assistance personnel of the Presidential Honor Guard; media representatives; special guests, ladies and gentlemen:

This is a very moving and significant ceremony for me, because for the first time I will exclusively address a group of Hondurans who wear with honor the uniform of one of the branches of our Armed Forces, the Honduran Army.

It is very moving, because those of us who have not had a close relationship with the Armed Forces do not realize the high level of discipline, sacrifice, and honor required from any man or woman who wears the [word indistinct] uniform of our Armed Forces, until we become immersed in these situations.

For this reason, this afternoon I want to thank you in advance, because you will accompany us for 4 years, during which time you will guarantee my security and that of my family.

We are absolutely sure that Colonel Rafael Castro Arita will perform his duties with the same honor and loyalty shown by Colonel Juan Ramon Pena Paz. We have no doubt about that.

I also want to tell you that here, a few steps from the presidential office, you will have a friend in the president of the Republic who will be glad to satisfy any of your needs for the better performance of your duties.

Finally, I again express my gratitude for, and my great satisfaction with this opportunity to share a few minutes with you this afternoon. Thank you very much.

FOREIGN SECRETARY OUTLINES NEW FOREIGN POLICY

PA310428 Tegucigalpa Radio America in Spanish 2140 GMT 30 Jan 86

[Statement by new Foreign Secretary Carlos Lopez Contreras during a ceremony to introduce him to the diplomatic corps on 30 January at the Manuel Bonilla Theater in Tegucigalpa -- recorded]

[Text] On 27 January, during the inauguration of Jose Azcona Hoyo as constitutional president of the Republic, Honduras was honored by the presence of heads of states, vice presidents, state ministers, and other top officials from friendly nations and international organizations, who kindly accompanied us during the solemn and meaningful ceremony corroborating the process of democratic consolidation in Honduras, in Central America and the continent in general.

My government is convinced that the cementing of political systems that arise from the wishes of the people, freely expressed in periodic and honest elections, is the required starting point to hope to attain a domestic peace based on the enhancement of human rights, and an international peace based on mutual respect. This view, which is valid for international relations as a whole, is no less valid in the Central American region. As I assume my duties as secretary of foreign affairs, I would like to convey to the distinguished members of the diplomatic corps as well as representatives from international organizations accredited in Tegucigalpa, my respectful and fraternal greetings. I have had the privilege and satisfaction of knowing most of you on either an official or a personal basis. Therefore, this ceremony in a way takes on the characteristic of a new meeting of friends and colleagues. I feel that this will make your and my work so much easier.

I, too, have had the honor of fulfilling diplomatic missions in American and European countries as well as in international organizations. For this reason I am aware of the delicate and hard tasks entrusted to ambassadors. I would like to assure you that I will not only be a government official but also a friend.

The government of the Republic views its foreign policies as the expression and true reflection of its domestic policies; that is, the state's actions are placed at the service of international peace, security, and friendship for the well-being of all our peoples. As President Azcona said in his inaugural address, our foreign policy in the Central American region will clearly fall within the framework of respect for the sacred principles of nonintervention in the affairs of another state and of free determination of peoples. Therefore, we ask that our sister nations also respect our right to act in accordance with our own principles.

Also, President Azcona has noted Honduras' decisive support for the generous work the Contadora and the Support Groups continue carrying out to pacify the region. Since peace is the main objective of the Honduran foreign policy. I would like to recall the message of His Holiness John Paul II on 1 January 1986, warning us that the nations of the world will only be able to fully achieve their destiny if they all unite to pursue peace as a universal (?goal). Also, the Honduran Foreign Secretary intends to reinforce the friendly relationships of cooperation Honduras has traditionally kept with the governments, peoples, and international organizations you so proudly represent.

In conclusion, I would like to take advantage of this pleasant opportunity to introduce Guillermo Caceres Pineda, whom the president swore in yesterday as the new deputy foreign secretary. I am sure he is most willing to give you all his support in official as well as personal matters. To all Your Excellencies and honorable officials, my best wishes for your continued professional achievements and personal happiness. [applause]

BRIEFS

AZCONA NAMES PRESS SPOKESMAN -- President Jose Azcona yesterday appointed journalist Lisandro Quezada as his press secretary and journalist Marco Tulio Romero as the new government's information chief. Both officials will perform specific duties within the presidency's information and press system. [Excerpt] [Tegucigalpa Domestic Service in Spanish 1130 GMT 31 Jan 86 PA]

NICARAGUA

ASTORGA APPOINTED AMBASSADOR TO UNITED NATIONS

PA020012 Managua EL NUEVO DIARIO in Spanish 31 Jan 86 p 8

[Text] Managua, [no date as published] (ANN) -- Today it was officially announced that President Daniel Ortega Saavedra has appointed current Deputy Foreign Minister Nora Astorga to the post of ambassador to the United Nations, and that she is to assume her duties on 15 February. In addition, the presidency of the Republic issued a communique to report that Javier Chamorro Mora, the current Nicaraguan permanent representative to the United Nations, will be appointed deputy foreign minister.

After holding the post of deputy foreign minsiter for 5 years, Astorga, a political and legal sciences graduate, was nominated as ambassador to the United States 2 yars ago, but Washington rejected the appointment. The Reagan administration did not accept Astorga to that post because of her active involvement in the struggle against the military Somozist dictatorship as an FSLN militant.

Chamorro Mora, Nicaragua's ambassador to the United Nations, will take over as deputy foreign minister on 15 February, the official note stated.

RAMIREZ DISCUSSES HONDURAN, U.S. RELATIONS

PA311730 San Pedro Sula TIEMPO in Spanish 29 Jan 86 p 10

[Text] Tegucigalpa -- Vice President Sergio Ramirez Mercado has stated that the countries of the Contadora and Support groups asked U.S. Secretary of State George Shultz for a meeting to discuss a stop "to the U.S. aggression against Nicaragua." In an exclusive interview granted to TIEMPO amid strict security measures, Ramirez Mercado said that he attended the inauguration of Jose Azcona Hoyo "with much hope that the support given to the counterrevolution will be eliminated here." A decision of this short "would mark the beginning of a new stage of relations between Honduras and Nicaragua without the pressure of a counterrevolutionary military presence and without border incidents." The Sandinist leader emphasized that "this hope was raised when President Azcona said that he is willing to respect the principles of nonintervention and mutual respect among countries." He vowed that Nicaraguans "on our part, are willing to respect the principle of nonintervention and noninterference concerning Honduras and thus expect similar behavior, as President Azcona announced."

Ramirez said that with the signing of the Caraballeda document in Venezuela and after the Declaration of Guatemala there has been a significant advance, "a booster shot," to the Contadora Process. He reiterated that Nicaragua's opinion is that there will be possibilities for an agreement within Contadora when the United States agrees to stop its aggression against Nicaragua. "Once the United States agrees to stop the aggression, the path to peace would undoubtedly be open." He announced that "the Contadora Group and the Support Group have requested a meeting with U.S. Secretary of State Shultz. The agenda for this meeting is not yet known, but it must include a stop to the U.S. aggression against Nicaragua and after that, the normalization of relations between the United States and Nicaragua."

The Nicaraguan vice president believes that the Caraballeda document was a surprise for the United States, which has been unable to assimilate so far that eight Latin American countries took a common stand in demand that that country go to the negotiations table with Nicaragua and take a serious position in regard to peace." He described as "a paradox" the rumors that are circulating according to which a defeat of the contras would increase the possibility of a direct U.S. intervention in Nicaragua. "It is a paradox that a military defeat of the contras will bring a direct U.S. military intervention closer," he noted, but immediately warned that "if the Reagan administration decides to invade our country some day, we are going to defend ourselves with the weapons we have at hand." "We are sure that it would be a debacle for the U.S. Government. We are sure that in the end the Nicaraguan people would rise victorious in the face of such an adventure, which implies a high cost, the cost of the complete destabilization of Central America." "It would be tremendous mistake by the United States. I hope that it will never make this mistake, but if it does, we are willing to face the aggression with the arms we have, with stones, with sticks, with whatever we have."

Asked if the Soviet Union would defend Nicaragua in the event of a direct U.S. attack, he responded: "I do not believe so. I do not know. The only thing I know is that the Nicaraguan people are willing to defend themselves. What I do know is that a U.S. military intervention in Nicaragua would not succeed."

He said that "it is obvious that the United States wants to use Honduras as a piece in the aggression. It will be up to the Honduran people to decide if this is possible or not."

Ramirez referred to the constant border incidents with a question: "One would have to ask why is there a Sandinist presence on the border?" "We are not fighting," he added, "a war against Honduras." "The tension is due to the fact that there are forces that want to use Honduran territory for the counterrevolution. The fact that there are contra camps in Honduras is not a fantasy."

However, he remarked: "The counterrevolution is deteriorating as the days go by because we have pushed the contras out of Nicaraguan territory." He indicated that according to military estimates, "we believe that there will be no significant anti-Sandinist forces inside Nicaragua in the next few months."

Regarding the charges of a dispute with the church, he maintained that "there will never be persecution against the church. What we have in Nicaragua is a political confrontation between certain hierarchies of the Catholic Church and the Sandinist government."

COSTA RICAN CANDIDATES SUPPORT U.S. CONTRA POLICY

PA012209 Managua Radio Sandino in Spanish 0000 GMT 1 Feb 86

[Text] It was learned tonight that Costa Rican presidential candidates Oscar Arias and Rafael Calderon have praised the financial assistance that the Reagan government supplies to the counterrevolutionary forces that attack Nicaragua. Social Christian candidate Rafael Calderon was the first to justify the aggressive U.S. policy against Nicaragua. Oscar Arnulfo Arias also justified the warmongering policy against Nicaragua These statements made by the two candidates, who are the ones with the greatest probability of winning the presidential elections, indicate the kind of foreign policy they will practice in that Central American nation.

LA PRENSA TEMPORARILY DROPS SUNDAY EDITION

PA012153 Managua LA PRENSA in Spanish 30 Jan 86 pp 1, 4

[Text] To LA PRENSA readers: Owing to a shortage of raw materials, especially paper, plates, chemicals, and many other materials used to publish LA PRENSA, we regret to inform our readers, representatives, and newspaper sellers that this newspaper will not appear on Sunday until our requests for these supplies are normalized. This force majeure prompts us to offer our apologies to our sympathizers from all over the country hoping that in the not too distant future we will be able to appear again on Sundays. For the time being our newspaper will come out Mondays through Saturdays.

MISKITOS WARN HONDURAS ABOUT SANDINIST OFFENSIVE

PA020148 Panama City ACAN in Spanish 1715 GMT 1 Feb 86

[By Armando Cerrato]

[Text] Tegucigalpa, 1 Feb (ACAN-EFE) -- Today the Nicaraguan rebel organization, KISAN, [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] warned the Honduran Army that the Managua Sandinist regime has mobilized 6,500 soldiers to the La Mosquila border area.

The Gracias a Dios Department in eastern Honduras is also known in Honduras as "La Mosquitia" and borders directly with Zelaya Department in northern Nicaragua, also known by the same name.

According to a communique issued by KISAN, the Sandinist troops will have the same mission as those troops stationed in other areas bordering with Honduras: "Harass Honduran territory with artillery, heavy machineguns, and specialized infantry missions."

The anti-Sandinist Indian organization claims that "our intelligence forces have detected large artillery and infantry movements on the Nicaraguan side of La Mosquitia and we fear there will soon be an attack against the camps of the Miskito refugees."

Honduras has stationed an infantry battalion about 70 km from the Lempira Port air installations, near the camps housing approximately 18,000 Nicaraguan Indian refugees.

KISAN is the Indian name taken by the rebel MISURA organization that stands for "Miskitos, Sumus, and Ramas," the three Indian races [as received] living on the Atlantic coast of Nicaragua. The rebel group arose in the last 3 months of 1985, when it was decided to expel MISURA military leader Steadman Fagoth Muller from the country for trying to set up an autocratic regime directed by him, overruling the Council of the Elders of the Indians.

"We know that the Sandinists are moving Soviet-made tanks and helicopters to protect their infantry in the plains of Bismuna, Kum, Waslala, Bilwaskarma, and Rio Arriba," a KISAN communique issued here today said.

KISAN, which means "United Mosquitia," claims that its military forces, estimated at some 3,000 men, have already clashed with the advancing Sandinist forces. They claim they have caused 41 Sandinist casualties and forced the Sandinists in some area to halt their advance and sometimes retreat considerable distances. The members of KIS admitted that one of their "warriors" was killed and three others wounded.

"We know that sooner or later, the larger, belligerent Sandinist apparatus will foil our efforts to halt them in their advance, but we will continue struggling," the rebel organization announced.

KISAN insists that "once the Sandinists reach the Honduran border, Honduras is in danger, because those people do not respect whether they are in Nicaragua or not." The members of the Indian community who are in Honduras have charged on several occasions that the Sandinists "have waged a campaign to exterminate the Indian population from the Atlantic coastal area."

EFE PREVIEWS PCC CONGRESS DOCUMENT

Foreign Policy Objectives

PA011950 Madrid EFE in Spanish 1840 GMT 1 Feb 86

[By Juan Jesus Aznarez]

[Text] Havana, 1 Feb (EFE) -- Cuba will continue to support the revolutionary movements throughout the world and is willing to solve its historic crisis with the United States on the basis of strict respect for each other's sovereignty.

This premise is set forth in the "Principles and Objectives of Foreign Policy" section of the draft platform of the Communist Party of Cuba [PCC] -- a document to which EFE gained access on the eve of the Third Party Congress.

"As part of our contribution to the development of the world revolutionary process, we will strive to achieve the unity and consolidation of the diverse forces that integrate this process," the lengthy 137-page document states. "All the revolutionaries of the world will always find in the PCC a firm, loyal, consistent ally," the document said, noting the guidelines to be followed in the next 5 years. The document will be presented for the consideration of the congress plenum, which will begin to meet this coming Tuesday in a session attended by 1,700 delegates. It will later be subject to study of other basic principles until its final approval at an extraordinary meeting to be held in December of this year.

The Cuban communists stress: "We continue to be willing to solve the historic difference in our relations with the United States on the basis of strict respect for our independence and sovereignty and totally abiding by the principle of equality between the two states."

Cuba also announced that it will "continue to participate resolutely in the common struggle to cancel the unpayable foreign debt of Latin America and the Third World" and believes that in the world "there is an indissoluble link between the problems of development and peace."

The PCC indicates that it will also promote economic integration "on the path to achieving a vast Latin American and Caribbean community, free of U.S. control."

The document notes that the international policy of the country "is a peace policy" and that "the struggle for peace has been and will continue to be the most important international order for our country." Meanwhile, it notes "the historic and indestructible nature of its friendship with the Soviet Union" and the wish to "strengthen and develop" relations with the African countries. "Our party and peoples will continue to honorably fulfill their internationalist duties, exercising solidarity with the peoples who are struggling for their independence and national liberation," the document adds.

Cuba will continue in the Nonaligned Movement and will participate in the "CEMA" (common market of the socialist bloc). "The international relations of economic and scientific-technical cooperation will be promoted "independently of the social regime, based on equality and mutual respect."

After coming out against the arms buildup, the Cuban communists note that they will maintain "an active participation" in international forums, especially in those of the United Nations and specialized organizations.

The draft platform alludes to the development of relations with other political parties and movements and joint actions with the socialist and social democratic parties. "We will support the worker class of the capitalist, developed countries and their progressive forces in defending the rights of the workers," another part of the document states.

"Cuba will continue to strive so that its foreign policy faithfully reflects its position as a socialist Latin American and Caribbean country," the report concludes.

The part dedicated to the party's foreign policy covers six pages of the document, which is divided in two parts: the first recalls the independence process of Cuba and the second refers to "the objectives and tasks of the PCC to culminate building socialism,"

Military Capabilities

PA021704 Madrid EFE in Spanish 0913 GMT 2 Feb 86

[Text] Havana, 2 Feb (EFE) -- Cuba will strengthen its military capability within the next 5 years, and has a plan to "eliminate the enemy," especially its chiefs and officers, in the event of an invasion of the island. The draft of the PCC plan, which will be studied at the congress that begins next Tuesday, outlines the country's policy under the title of "the Defense of the Socialist Fatherland." The document, to which EFE gained access on the eve of the Caribbean nation's most important political meeting, has 187 pages and discusses various aspects of the socio-political and economic plans.

"The necessary material and human resources will be dedicated to defense, creating conditions to increase the country's defensive powers, and promoting the people's inclusion in all of these tasks," the report states.

The PCC emphasizes that in the event of an invasion, the effort will be made to "make the enemies' lives impossible and to prevent them at all costs from establishing their imperial order."

"To eliminate the enemies, particularly their chiefs and officers," and "be unrelenting with those who surrender and betray" are other lines of action planned.

The hypothesis mentioned expresses the decision to impose our will on the enemies, make them desist from their intentions of reestablishing capitalism in Cuba, and struggle until we defeat and expel them from the fatherland."

The Cuban communists stress the importance of "the people's war" against possible invaders, which will allow them "to face the imperialist aggression in any of its forms or variations, including massive air attacks, naval blockades, a war of attrition, or even an invasion."

"The people's war will allow the creation of conditions to wage an armed struggle under the physical-geographic, socio-economic, and demographic characteristics of the different areas and territories," the document adds. The draft of the plan, the main document of the congress, along with the central report, which will be read by President Fidel Castro, refers to the need for the "country's full preparation for defense," with political, military and civil defense training.

After discussing the advantages of preparing the "Revolutionary Armed Forces, "Territorial Troop Militia," and "Production and Defense Brigades," the party states that Cuba has a "powerful territorial defense system.: Cuban military policy establishes that during the next 5 years, in keeping with the previous period, there will be obligatory military service and training for reserves, militia, and high school and university students.

The Communist Party attributes "a decisive and growing role" to the political and ideological preparation of Armed Forces personnel and their education in the principles of "Marxism-Leninism, socialist patriotism, and proletariat internationalism."

"It is of the utmost importance to continue educating the revolutionary Armed Forces in the spirit of the most brotherly, cooperative, and combat friendship ties with the socialist countries' Armed Forces, and most of all with the Soviet Union," the report points out.

The PCC considers a single military command [mando unico militar] as the most suitable, and "special attention to the corps of officers, the backbone of our military institutions," is part of its work priorities. "Their formation and excellence is a decisively important task," the draft of the program adds.

Within the military strategy designed by Cuba, the need to perfect measures aimed at avoiding the element of surprise, the organization and alertness of the troops, and economic objectives stand out, as well as the need to ensure that from the earliest indications of a hypothetical attack "strong blows" are dealt against the enemies, "causing them the greater losses."

The PCC also considers it "of great importance" to continue preparing for times of war.

In another part of this section, the plan states "the deepest conviction" that in the event of "an imperialist attack" Cuba would have the support of peoples and the solidarity of governments and the progressive forces of the world.

REPORTAGE ON INTERNATIONAL PEDAGOGY-86 CONGRESS

Opening Ceremonies

FL291730 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1402 GMT on 29 January carried live coverage of the inauguration in Havana's Karl Marx theater of the International Pedagogy-86 Congress which, it has been announced, will deal basically with the Cuban public education system.

The establishing shot shows the interior of the Karl Marx Theater as the announcer explains that the activities of the congress consist of the 27 January pre-congress activities, visits to schools, hospitals, and other centers, special lectures, roundtables, etc. The announcer describes the congress as having "the essential goal of exchanging information on scientific pedagogical experiences that will surely contribute to reaffirming the cultural identity of Latin America." The delegates then stand as the Cuban national anthem is played, and at 1403 GMT, staff announcer Manolo Ortega initiates the congress with an explanation that the congress will meet in Havana from 29 to 31 January. He says that a total of 3,500 educators are attending the congress, of which more than 2,300 are invited guests and delegates. He explains that the activities of the congress will include four general lectures and six special lectures, nine roundtables, and 33 committees that will study approximately 750 studies.

He then introduces Cuban Education Minister Jose Ramon Fernandez, vice president of the Council of Ministers, who will give the first conference on the subject "Development of Education in Cuba."

At 1405 GMT, Fernandez begins by greeting all the participants and guests and welcoming the foreign educators, saying he is sure the congress "will make possible a fruitful exchange of information on their experience and will permit the cementing of strong ties of friendship and cooperation of all the participants in achieving their common goals."

He begins his lecture by reviewing Cuban colonial history as a colony of Spain and the concomitant lack of a public education system. He cites Cuban educational development during the 19th century, identifying Jose Marti as that century's chief educational figure. He reviews the period 1668-1895 and describes U.S. intervention in 1898 and the 1898 Treaty of Paris, which gave the United States power in Cuba and The Philippines.

He touches on the U.S. educational program for Cuba from 1898 on, the changes in the Cuban Government in the early 20th century, the Platt Amendment, the cession of bases to the United States, and U.S. cultural penetration in Cuba, with its effects on the Cuban educational system.

He describes U.S. influence in Cuba under the Republic founded in 1902, the second U.S. occupation of Cuba in 1906, and the ensuing decades of corrupt government after the U.S. occupation ended. He describes the situation of Cuban school children during this period as deplorable; public instruction languished, and there were only three normal schools in all Cuba.

He then reviews the progress of education after the Cuban revolution: the 1961 literacy campaign with its voluntary teachers, and the Ana Betancur educational plan for peasant girls, which taught the girls how to sew and provided them with free sewing machines. He says that more than 700,000 illiterates learned to read and write in 1961 and that the number of illiterates has dropped every year since then. He describes successive educational programs, which are now culminating in the "struggle for the 9th grade." He then describes the new education law, which has made basic changes in the Cuban educational system and opened public education to the masses, and reviews the improvements in technical education under the Castro regime, together with the growth of the entire educational system after 1961.

He then describes Cuban educational aid given freely to other countries, and Cuba's intention to continue perfecting its own educational system, providing a 9th grade education to all children and then preuniversity studies or technical studies, while improving the level of professional competence of the educators. He discusses the linkage between social justice and education, describing the struggle to improve the educational system as a "struggle to achieve a better world."

At 1543 GMT, Education Minister Fernandez concludes his inaugural lecture and the camera returns immediately to the studio.

Closing Ceremony

FL010730 [Editorial Report] Havana Domestic Service in Spanish at 0228 GMT on 1 February begins live coverage from Havana Karl Marx Theater of the ceremony concluding the International Pedagogy-86 Congress.

At 0230 GMT, the audience begins applauding and then a full shot is given of President Fidel Castro. The Cuban national anthem is played and a full shot of the Cuban flag is shown.

While the anthem is playing, the camera pans the dais and shows Education Minister Jose Ramon Fernandez, Vice President of the Councils of State and Ministers Ramiro Valdes Menendez, and Federation of Cuban Women President Vilma Espin. Raul Castro is not present at the ceremony.

Tele-Rebelde announcer Manolo Ortega approaches the podium at 0232 GMT and introduces the next speaker, Dr Edgardo (Enriquez) from Chile. A full shot is given of Castro as (Enriquez) steps up to the podium followed by a full shot of the dais. The wall behind the podium is covered with a "Pedagogia-86"banner.

At 0233 GMT, (Enriquez) begins saying he accepts the applause "with profound emotion and gratitude. It is not for me, but for the cause I represent, which the martyr-President Salvador Allende would encourage and defend in the struggle for economic and cultural independence of Chile and America."

(Enriquez) reviews the process of approving the final declaration. The document was submitted for everyone's approval in each of the 28 commissions this morning, says (Enriquez). He also indicates that the declaration was approved by consensus. (Enriquez) then reads the final declaration "by educators for a better world."

The declaration begins by "expressing our appreciation to Cuba for hosting an extensive, pluralistic, and democratic event that has permitted more than 3,500 education workers to meet from 35 countries, the majority from Latin America and the Caribbean."

(Enriquez) reads from the declaration saying that the educators discussed "the role of the educator in the struggle for the benefit of man and social progress." The statement which (Enriquez) reads praises Cuban education as an example for everyone. The educators also praise the opportunity to meet in Cuba and exchange opinions. "We are aware," reads (Enriquez) "that the advances in the educational area are intimately linked to social, economic, and political problems, and in particular, to the worsening economic crisis that our people's carry, the ominous weight of the foreign debt, the overwhelming interest payments, and the prevailing, unjust international economic order. Because of this we pronounce ourselves in favor of solutions that are in accordance with national, legitimate interests of the Latin American and Caribbean people."

(Enriquez) continues reading: "We condemn the military dictatorships sustained by transnational capital. "We agree with the idea expressed during the event that one of the basic tasks for educators is the struggle for a better world, which calls for an end to the arms race, world disarmament, and the guarantee of peace among the peoples peoples."

The declaration ends with a quotation from Simon Bolivar and (Enriquez) concludes reading the declaration at 0245 GMT.

The camera plans the audience and they give him a standing ovation. The balcony and the main floor of the auditorium appear to be full. The camera gives a medium shot of Castro standing and applauding.

At 0247 GMT (Enriquez) holds a brief consultation at the podium with an unidentified man and then asks permission from Castro if he can say a few more words.

(Enriquez) praises the declaration and his colleagues. "As a Chilean," he says, "I prefer to begin by emphasising the conviction that the unstable military dictatorship that oppresses my country has its days numbered." This elicits applause from the audience. The Chilean delegate is critical of the regimes in Chile, Paraguay, and Haiti, which he says are "sustained by Yankee imperialism."

He also is critical of the "foreign debts that have been inherited united with unequal trade, social-economic structural deformities, total dependence on international capital, and Yankee imperialism."

(Enriquez) concludes his speech at 0254 GMT. The camera pans the audience giving (Enriquez) another standing ovation. The camera gives a full shot of (Enriquez) shaking hands with Ramon Fernandez.

Ramon Fernandez addresses the audience at 0255 GMT saying: "You have heard the final declaration of the congress, which you were familiar with as it was submitted at different working sessions." The education minister then puts the declaration up for a vote. He asks for those in favor of the declaration to raise their hands. The camera gives a wide shot of the audience raising their hands. Ramon Fernandez then asks for a show of hands of those who are against the statement. The camera pans the audience and there appears to be no one raising their hands against the declaration. This causes much discussion among the audience. The minister then asks for abstentions and, once again, no one raises their hands. The audience applauds as Ramon Fernandez announces that the declaration has been unanimously approved.

At 0252 GMT, the Tele-Rebelde announcer returns to the podium and introduces President Fidel Castro. The camera follows Castro from his seat to the podium. In his speech, he discusses the pedagogy congress, the upcoming Third Party Congress, and rumors of his death which circulated last week. He states he has not participated in the pedagogy congress because he has had to devote himself to the preparation of the Third Party Congress main report. Castro then reviews the development of Cuban education. Castro ends his speech at 0447 GMT and the camera returns to the studio.

URUGUAYAN OFFICIAL ARRIVES TO SET UP EMBASSY

PA311740 Havana International Service in Spanish 0000 GMT 30 Jan 86

[Text] (Tabara Bocalandro), a Uruguayan Foreign Ministry official, has arrived in Havana to initiate arrangements for the installation of his country's embassy in Cuba. In statements given to PRENSA LATINA, (Bocalandro) stated Uruguay's interest in strengthening diplomatic, economic, and cultural relations with our country. Diplomatic ties between Cuba and Uruguay were reestablished by President Julio Maria Sanguinetti 22 years after they were broken.

HAITI

POLITICAL UNREST, DEMONSTRATIONS CONTINUE

Ministry Refutes U.S. Report

PA311604 Paris AFP in Spanish 1548 GMT 31 Jan 86

[Text] Port-au-Prince, 31 Jan (AFP) -- The Information Ministry today formally denied the reports from the White House that President Jean-Claude had been overthrown. The president was seen in Port-au-Prince by the AFP correspondent at 0900 local today (1400 GMT) in a caravan of vehicles headed for an unknown destination.

At the same time, a violent demonstration against the government was under way in downtown Port-au-Prince.

The Information Ministry announced that the president is in the government palace after having inspected the city. According to the AFP correspondent, Duvalier's vehicle was traveling at a fast speed under the protection of military and militia members and managed to get through a crowd of demonstrators without incident.

Duvalier: 'Situation in Hand'

PA311824 Paris AFP in English 1812 GMT 31 Jan 86

[Text] Paris, Jan 31 (AFP) -- President Jean-Claude Duvalier has no intention of quitting Haiti and says he has "the situation well in hand," a source close to his family said in Paris. The source said that at 1530 GMT Mr Duvalier telephones a member of his family residing in Paris and said he had "no intention of leaving Haiti." Mr Duvalier added that he had taken steps to restore order and that he had "the situation well in hand," the source [word indistinct]. Mr Duvalier was in the presidential palace in Port-au-Prince when he made the call, which coincided with a White House announcement that he had been ousted and fled the country, the source added. The report was itself denied by Mr Duvalier in a [word indistince] (?announcement) and later [words indistinct] officials. The family member was not identified.

Duvalier Addresses Nation

PA311851 Hamburg DPA in Spanish 1843 GMT 31 Jan 86

[Text] Port-au-Prince, 31 Jan (DPA) President for Life Jean-Claude Duvalier has just spoken on television to the country from the National Palace in Port-au-Prince. In his message, Duvalier said that he is in the country and that he will continue to hold power, thus denying U.S. White House reports about his alleged overthrow and subsequent flight abroad.

The presidential message was broadcast live in a simultaneous transmission by the radio and television network. "I will continue working with courage and dignity for economic progress for the benefit of the majority of the people" Duvalier said. "I understand your impatience regarding the economic problems, but it is counterproductive if disorder and anarchy reign in the country."

The president for life addressed the country from a podium located in the National Palace in the capital. He was accompanied by his heavily armed bodyguards and by all of his Cabinet ministers.

He added that he will soon make known a "new plan for Haitian society." "Everyone will benefit from the possibilities and wealth of our economy. The plan is already prepared," he said. He said that he "will continue to respect human rights and social changes; and will continue with the program of democratization and liberalization."

Capital Situation 'Tense'

LD311943 Paris Domestic Service in French 1800 GMT 31 Jan 86

[Excerpt] In Haiti, President Jean-Claude Duvalier's regime is vacillating. Martial law has been declared throughout the country. Baby Doc has great difficulty in controlling the antigovernment unrest that has increased in the last few days. The population went out into the streets of the capital, Port-au-Prince, in protest against what it calls the regime's unleashed corruption. The Americans, through the voice of White House spokesman Larry Speakes, went as far as to announce the fall of the government and President Duvalier's flight -- information denied a few minutes ago by the White House itself as well as by Haiti radio. One was even able to hear an address by Jean-Claude Duvalier but it has not been made clear whether the speech was live or recorded. This being said, Philippe Reltien [radio correspondent] managed to reach a member of the French Embassy staff a few minutes ago on the telephone in Port-au-Prince:

[Begin recording] [Unidentified speaker] A state of emergency was declared this morning. The only measure applied was the closing down of three independent radio stations -- a Catholic radio station, a Protestant radio station, and another radio station called Radio Cacique. That's it. It seems that the demonstrations (?extended) to the provinces. There was some movement also in Port-au-Prince, but the president reportedly went out in the streets this morning. [Words indistinct] was to make a statement this afternoon on TV. I did not see him, I only heard the report on the national radio.

[Reltien] How can you explain the fact that the Americans announced his departure?

[Speaker] Because of the rumors spread by the exiles in Miami. There has indeed been an uprising of the people who were to be hired to cut sugar cane and three people reportedly died from asphyxiation during the uprising.

[Reltien] On the other hand it is said that a call for the boycott of the carnival was reportedly made -- the carnival being more or less organized by the state.

[Speaker] Yes, the carnival is indeed encouraged by the government. In any case, the (?holding) of the carnival will be in doubt again because of the state of emergency. There are some movements in certain districts of the town, there are gas stations on fire and car tires blocking some streets.

[Reltien] So there are riots throughout the capital....

[Speaker, interrupting] Yes, there are movements of the crowds. All of a sudden the streets are becoming empty because the people heard there may be an intervention, things like that....

[Reltien, interrupting] Is the Army present in the streets?

[Speaker] I do not know, (?at least) from what I am told.

[Reltien] So the situation is fairly tense.

[Speaker] Yes, it is tense in certain districts of the town. [end recording]

President Remains 'Protected'

PA010021 Madrid EFE in Spanish 2317 GMT 31 Jan 86

[By Ricardo Medina]

[Excerpts] Port-au-Prince, 31 Jan (EFE) -- President-for-life Jean-Claude Duvalier remains protected behind the walls of his palace in Port-au-Prince while tens of blacks sit in the shade outside the palace and wait for the end of the lifelong empire. Today at noon, hours after he imposed the state of siege and after suspending the few constitutional guarantees that still exist in the country, Duvalier addressed the 5.5 million Haitians in a speech aired via radio and television.

The businesses in the capital city are closed and protected by grills. The sidewalks are full of dust and the streets are practically deserted except for the small groups of six people each who gather to talk about the rumors and imagine what Haiti would be without Duvalier.

The "Francois Duvalier" airport is open, even though it is surrounded by curious people who observe that in an "Air Haiti" hangar there are large wooden crates that are being placed in a cargo plane. The "Air France" flights from San Juan, Puerto Rico, and "Eastern Airlines" flights from Miami, Florida arrived on schedule.

Some shots were heard near Port-au-Prince; however, according to the people who heard the shots, these could have been warning shots.

"Radio Soleil," "Radio Lumiere," and "Radio Cacique," the three stations that broadcast unofficial reports recently, are not on the air today. The government's radio station is repeatedly playing a lengthy version of "La Bamba," which combines all of the existing Caribbean rhythms. The music only stopped at 1600 so that an Information Ministry announcer could broadcast a 10-minute tirade against the "irresponsible" statements issued by Reagan's spokesman. The announcer, who has a better French accent than Jean-Claude Duvalier, said that the government in Port-au-Prince has demanded an explanation from the government in Washington through Ambassador Clayton E. McManaway.

Duvalier appeared alone during his statement via state-owned television without the usual presence of his wife. This provoked rumors that she and their 2-year-old son, Nicolas, had abandoned the country. An unidentified airplane took off during the night from the Haitian capital's airport, but neither the government nor the U.S. Embassy gave details about the aircraft's passengers.

Five Killed in Demonstrations

PA010339 Paris AFP in Spanish 0253 GMT 1 Feb 86

[Excerpts] Port-au-Prince, 31 Jan (AFP) -- Five persons were killed and 60 wounded -- 17 by gunshots -- in antigovernment demonstrations this morning in Port-au-Prince, hospital sources reported.

Amid shouts of "Long Live the Army, Down With Duvalier," several thousand youths initiated demonstrations against the president in the main streets of the northern city, immediately after the state of siege was announced.

The Army intervened very moderately, limiting themselves to clearing the sidewalks and spraying the demonstrators with hoses. At midmorning, however, the militia (Tontons Macoutes) started firing, almost always in the air: Five persons were killed, some of them -- an undisclosed number -- by gunshots, and approximately 60 were wounded. In the afternoon, stores remained closed, but there were no incidents or demonstrations in the capital.

However, in Gonaives, 152 km northwest of Port-au-Prince, several thousand demonstrators sacked stores today and demolished the mayor's home.

In Cap Haitien, where in the morning the government closed the Catholic station La Voix de L'Ave Maria, and an independent private radio station, La Voix du Nord, the situation was calm.

In Port-au-Prince, military patrols were still visible tonight, just as in Gonaives and Cap Haitien.

Exile Group Plans March

PA012028 Madrid EFE in Spanish 1950 GMT 1 Feb 86

[Text] Santo Domingo, 1 Feb (EFE) -- Louis Eugene Athis, coordinator of the Democratic Movement for Haitian Liberation (Modelh) [Movimiento Democratico de la Liberacion de Haiti] announced that its leaders are marching to Haiti "to struggle for the establishment of democracy in that nation, which has been ruled by one of the cruelest dictatorships."

Athis called on the Haitian exiles in the Dominican Republic to "return to their fatherland to struggle for the definitive overthrow of Duvalier." At a press conference held in a restaurant of this city today, Athis said that his organization will support any government that is established in Haiti, with the only condition that it respect the dignity and rights of the Haitian peoples.

Three hooded Haitians were presented during the press conference, allegedly coming from the cities of Gonaives, Cap Haitien, and Port-au-Prince, to give first-hand reports on the popular demonstrations that have taken place there against Duvalier's government.

In fact, Athis said that the three fellow countrymen had to appear hooded because they will return to Haiti before the leaders of the Modelh begin their march to the fatherland. He explained that the fall of dictator Duvalier does not mean the liberation of the Haitian people, but rather the beginning of the struggle that will be carried out for the definitive liberation of Haiti.

Meanwhile, the national leadership of the revolutionary youth, which is part of the Dominican Revolutionary Party (PRD) in power, announced its support for the struggle of the Haitian people for liberty and democracy.

According to PRD sources, this coming Monday the Dominican Revolutionary Youth will begin to hold a number of activities in support of the Haitian people.

U.S. Citizens Waiting To Leave

PA012336 Madrid EFE in Spanish 2235 GMT 1 Feb 86

[Text] Port-au-Prince, 1 Feb (EFE) -- Some 400 U.S. citizens are impatiently waiting today at Francois Duvalier International Airport in Port-au-Prince to return to their country, in view of the conflict in this Caribbean country. Flights coming from and leaving for Santo Domingo are prohibited, an airport source told EFE. Six planes from the Lear-Jet Company, specializing in flights for executives, have not been allowed to leave the airport.

Air controllers are expecting planes in the next few hours from American Airlines, Air Canada, Antillian Airlines and Haiti Airlines.

Radio Nationale, the only radio station allowed to broadcast, used its newscasts today to insult White House spokesman Larry Speakes. The station never mentioned the name of President Ronald Reagan. On Friday Speakes announced the fall of President Jean-Claude Duvalier's regime and that he had fled the country.

On Friday Duvalier decreed a state of siege throughout the country and an hour later the National Assembly ratified, as it usually does, the latest measures implemented by the president-for-life.

6-Hour Curfew in Cap Haitien

PA021228 Paris AFP in English 1203 GMT 2 Feb 86

[Text] Port-au-Prince, Feb 2 (AFP) -- The military today imposed a six-hour curfew on Haiti's second city, Cap Haitien, after firing in populated districts which had lasted for most of the night. President-for-Life Jean-Claude Duvalier, faced with rising riots in several cities against his family's 28-year old regime, had announced a 30-day nation-wide state of seige on Friday. The curfew in Cap Haitien, 260 kilometers (160 miles) north of the capital, began at seven A.M. Yesterday the city had been quiet, while clashes were reported in Gonaives and Les Cayes.

Reporters' Movements Restricted

PA021454 Paris AFP in Spanish 1408 GMT 2 Feb 86

[Text] Port-au-Prince, 2 Feb (AFP) -- The Haitian minister of state for interior and national defense has announced that foreign reporters are no longer authorized to leave the limits of Port-au-Prince to go to the provinces. This "temporary" ban is aimed at guaranteeing their personal safety, the government noted today.

Reporters, Opposition Members Arrested

PA021638 Madrid EFE in Spanish 1515 GMT 2 Feb 86

[Text] Port-au-Prince, 2 Feb (EFE) -- Four Canadian reporters were arrested early yesterday morning in Port-au-Prince by the "Tontons Macoutes," the political police of the Haitian President for Life Jean Claude Duvalier. The reporters left the hotel where they were staying at approximately 2230 and 15 minutes later they found they were being followed by an automobile in which there were five heavily-armed people.

The four reporters told EFE that the taxi they were riding in through the streets of Port-au-Prince was taken to the police headquarters.

The four reporters are Charles Faribeault, Jacques Camirand, Jean Rene Dupont, and Jean Thibault who told EFE about their little odyssey a few minutes after they were released. The reporters are special correspondents for TVA of Canada and arrived on Saturday from Montreal. They said that at police headquarters they saw approximately 15 Haitians lying face down on the floor with their hands behind their necks. The Duvalier police, which declared a state of siege on Friday, in recent hours have been arresting alleged members of the opposition in the capital city and in various cities in the interior.

Demonstration Death Toll Rises

PA022124 Paris AFP in Spanish 2055 GMT 2 Feb 86

[Text] Port-au-Prince, 2 Feb (AFP) -- Twenty people were killed during Friday's demonstrations in Port-au-Prince, reliable sources in the Haitian capital have revealed. This increases the toll of the demonstrations that have been taking place in Haiti since last 28 November to 42 dead and 123 injured, unofficial sources reported. Militia men killed seven antigovernment demonstrators on Friday in Leogane, 30 km southeast of Port-au-Prince. According to rumors running rampant throughout Port-au-Prince, the injured are being taken straight to the capital's military hospitals and not to civilian ones.

Military Parade Canceled

PA022158 Madrid EFE in Spanish 0445 GMT 2 Feb 86

[By Ricardo Medina]

[Excerpts] Port-au-Prince, 1 Feb (EFE) -- The "Tontons Macoutes" today arrested many people in this capital while, according to observers, President-for-Life Jean-Claude Duvalier today gave clear evidence of instability. Just yesterday Duvalier had confirmed that he would preside over a military parade to honor the 27th anniversary of the creation of his loyal "Leopards," an elite Armed Forces group. However, a National Palace spokesman has informed EFE that "the parade was called off because we are under a state of siege and the soldiers are on alert."

Before, observers had commented that the route and duration of the parade, as well as the presence of the Duvalier family, would serve as a barometer of the situation of "Baby Doc," as Haiti's strongman is popularly known. A few hours before the parade was scheduled to begin a diplomatic source told EFE that "if the parade is called off it might indicate that he [Duvalier] is facing problems in the palace."

While Duvalier continued locked up in the very closely-guarded National Palace, eyewitnesses told EFE that the Tontons Macoutes, the political police, today made several arrests in downtown Port-au-Prince. The arrests were made inside the central market as well as in the surrounding area. An unspecified number of anti-Duvalier demonstrators, presumed to number several thousand, also took to the streets of Gonaives, Les Cayes, and Saint-Marc to demand an end to the 28-year-old Duvalier regime.

Trustworthy sources told EFE that journalist Ledi Pier, of Gonaives' "Radio Independence," was arrested by the police in the Raboteau district of this city in northern Haiti.

In Les Cayes eight houses were set on fire and one person was killed by gunfire, but the city was calm by late afternoon. Among the homes set on fire by the crowd was that of Marcel Fleurimon, a wealthy landowner who owns the second largest sugar mill in Haiti. Fleurimon has profitable business ties with U.S. companies.

The sources added that in Les Cayes the residence of a former commander of the Duvalier militia was also burned down. Groups of people also demonstrated in the town of Saint-Marc, 90 minutes by car north of Port-au-Prince, but there were no reports of victims or damage.

The reported fatality in Les Cayes has brought to 13 the unofficial number of dead in Haiti since the president-for-life imposed a state of siege in this Francophone Caribbean republic on Friday.

Since last night U.S. Ambassador Clayton McManaway and White House spokesman Larry Speakes (who announced Duvalier's overthrow on Friday) have been the object of insults on Radio Nationale, the only radio station on the air in this country of 5.5 million inhabitants.

Police Guarantee Security

PA030126 Madrid EFE in Spanish 0104 GMT 3 Feb 86

[Excerpts] Port-au-Prince, 2 Feb (EFE) -- Col Gregoire Figaro, commander in chief of the police in Port-au-Prince, today warned Haitians that any attempt to keep the shops and businesses from closing their doors on Monday will be thwarted. [sentence as received]

A Radio Nationale announcer read this announcement tonight, after some military music was played. The announcement assures all citizens, especially foreign executives that there will be full guarantees for those showing up at their work places. According to various Haitian sources, it is foreseeable that the agitation rocking this country of 5.5 million people will increase on Monday. The above announcement was made at 1900 on Radio Nationale, the only radio station operating since the state of siege was implemented.

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ALFONSIN ENDORSES MEXICAN-VENEZUELAN DECLARATION

PY022057 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1225 GMT 2 Feb 86

["Text" of communique "bearing President Raul Alfonsin's signature" issued by the Argentine Government in Buenos Aires on 1 February]

[Text] Buenos Aires, 2 Feb (NA) -- The president of the Republic of Argentina, Raul Alfonsin, hereby conveys his solidarity and agreement with the joint declaration signed by the presidents of Venezuela, Jaime Lusinchi, and of Mexico, Miguel de la Madrid Hurtado, in which they expressed their deep concern over the effects the sharp drop in oil prices will have on oil-exporting debtor countries and demanded that urgent, effective, international measures be taken to normalize and to stabilize the world's financial and commercial operations.

What has happened in recent weeks to oil prices has added to what has been happening for a couple of years on the international agricultural market, where the prices paid for these products have dropped to an all-time low. As long as this unprecedented punishment is dealt to us through our export prices, as long as protectionist actions and restrictive measures prevail on the markets of developed countries, and as long as real interest rates remain high on the international market, all internal efforts will be insufficient to solve the situation of debtor countries, to preserve peace and tranquility in our region, and to promote Latin American prosperity. Consequently, the Argentine Government endorses the proposal that a meeting of the Consensus of Cartagena be urgently held to study the effects of this new crisis on the various Latin American debtor countries and to take the necessary joint measures to face it.

SCHEDULES ADJUSTED FOR NUCLEAR PROJECTS

PY012208 Buenos Aires CLARIN in Spanish 31 Jan 86 p 14

[Text] During a meeting yesterday, President Raul Alfonsin and National Commission for Atomic Energy (CNEA) President Alberto Constantini reviewed the budgetary problems of the Atucha II and theheavy water projects and the beginning of work of the cobalt capsule plant. After a meeting, which was held at Government House, Constantini said: "The progress of the two projects has returned to normal, qualified personnel are being rehired, and the projects' timetables are being rescheduled in order to proceed normally."

In a statement distributed to the press shortly after his meeting with Alfonsin, Constantini stated that he asked the president to make an "exception" concerning the public administration hiring freeze, "in view of the need to hire people to start training them for the operation of the heavy water plant, which will be concluded in late 1987." Constantini explained that "I have also asked for exception from regulations forcing some people to retire from the grades not enjoying special treatment." In this regard, Constantini told Alfonsin: "We are part of a very unfair system. We neither belong to the presidential system nor to the national public administration system. We belong to a private system for autonomous agencies operating under the old law No. 43749, which means that the people retiring today only collect 45 percent of the current retirement pay."

GOVERNMENT GRANTS GARCIA MEZA GUARANTEES

PY302339 Paris AFP in Spanish 1427 GMT 30 Jan 86

[Text] La Paz, 30 Jan (AFP) -- Julio Garret Ayllon, vice president of the nation and president of Congress -- which will try General Luis Garcia Meza, the de-facto president between 1980 and 1981 -- reported here today that the Bolivian Government of Victor Paz Estenssoro has granted the former president guarantees for his personal defense during the trial proceedings. Garret revealed that Interior Minister Fernando Barthelemy had told him that the former president could fully carry out his defense in Congress when facing the charges that have been made against him. On two previous occasions Congress did not achieve a quorum due to the absence of congressmen belonging to the government party, the Nationalist Revolutionary Movement (MNR) and to the Nationalist Democratic Action Party (ADN). Garcia Meza has been charged with defrauding the state, drug trafficking, the murder of socialist deputy Marcelo Quiroga Santa Cruz and eight leaders of the Movement of the Revolutionary Left (MIR).

Obstruction Charges Denied

PY311511 La Paz Cadena Panamericana in Spanish 1130 GMT 31 Jan 86

[Text] Information Minister Herman Antelo has stated that charges by some opposition parties that there is a pact between the Nationalist Revolutionary Movement and the Nationalist Democratic Action, with the aim of obstructing the trial of General Luis Garcia Meza, are completely groundless. Antelo said that President Victor Paz Estenssoro himself had given him instructions by some political groups and communications media regarding this subject. The president and the government are particularly interested in holding the trial to totally clear the case, the information minister said. Regarding the lack of a quorum at the Congress session on 29 January, Antelo said that this is nothing strange in congressional history, in this or any other country.

INTERIOR MINISTER DISCUSSES COCA ERADICATION

PY031828 La Paz Cadena Panamericana in Spanish 1700 GMT 3 Feb 86

[Excerpt] Interior Minister Fernando Barthelemy has told Radio Panamericana that the activities to eradicate coca cultivation are being carried out normally according to plan.
[Begin recording] [Barthelemy] This program is moving ahead according to our plans, neither faster nor slower than we planned.
[Unidentified reporter] Have you received any response from the working class to this plan?
[Barthelemy] You mean a response from peasants?
[Reporter] Yes.
[Barthelemy] Obviously the response is positive because even a small sector that resisted the idea of voluntary reduction has already joined the program and has fully agreed to join the voluntary reduction program. [end recording]
Reporters asked the minister more questions about the eradication of coca and how many hectares have already been surveyed.
[Begin recording] [Barthelemy] I believe I am not wrong in saying that about 680 hectares have been surveyed, out of which about 80 hectares are being eradicated.
[Unidentified reporter] How many hectares have not yet been eradicated?
[Barthelemy] I do not know exactly because I do not have the daily report. The eradication began last week. [end recording]

INDUSTRY, COMMERCE MINISTER TENDERS RESIGNATION

PY040236 Sao Paulo Radio Bandeirantes Network in Portuguese 0130 GMT 4 Feb 86

[Text] President Jose Sarney today received the resignation letter tendered by Industry and Commerce Minister Roberto Gusmao, who leaves his post criticizing other ministers. Gusmao has charged Finance Minister Dilson Funaro with turning his ministry into a dangerous super-dinosaur because he wants to make the decisions regarding all the main economic issues. Administration Minister Aluizio Alves was charged with spending his time talking about cars and garages, instead of changing the absolutist, centralizing, and narrow-minded administrative apparatus.

SARNEY DISCUSSES ANTI-INFLATION MEASURES

PY311528 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 31 Jan 86

[Text] Today, during his weekly message "By the Radio," President Jose Sarney said that it is not possible to live with or to accept a 16.2 percent inflation rate like the one registered during January. The president said that his government will continue to reject the bitter medicine of an economic recession.

[Begin Sarney recording] Recession, as the media likes to call it, is a dragon with several heads that causes shortages, the disappearance of salary increases, and increases the number of speculators. Inflation always jeopardizes the development, social justice, and democratization projects that the government is carrying out with great effort. We must knock this inflation rate down. Many believe that the only answer is the bitter medicine called recession, which necessarily entails unemployment, hunger, bankruptcy, and rebellion against democratic governments.

Brazil took another path, it made another choice. The government is reducing its expenditures as much as possible. It is drastically cutting new projects. The government does not accept imposing on the people the sacrifice which recession entails and which brings hunger and unemployment. We are going to do our utmost to confront this serious problem. [end recording]

President Sarney does not believe that the economic recession represents a political alternative for the government in keeping with the commitments undertaken by the Democratic Alliance. Sarney mentioned as an example the reduction of the high [word indistinct] social deficit accumulated during the past 20 years. The president went on to list the measures taken by the Finance Ministry in order to curb inflation. Among them, he noted the freezing of prices of some agricultural products and the importation of foodstuffs. President Sarney ended by stating that he hopes to have the cooperation of all the people to curb the exaggerated price increase.

BUDGET REAFFIRMED; NORTHEAST IRRIGATION LAUNCHED

PY310036 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 30 Jan 86

[Excerpt] The federal budget has to be executed without any exceptions. This order was given to Finance Minister Dilson Funaro and Planning Minister Joao Sayad by President Jose Sarney who told them not to give a cent more than what is apportioned in the budget for the states and municipalities. This directive was not well received by some governors who attended the ceremony launching the Northeast irrigation program. The president said that the government would like to meet the needs of everyone, but cannot. This must be understood and accepted.

Over a 5-year period, the Northeast will receive investments woth $4.3 billion, more than 51 trillion cruzeiros at today's rates. The objective is to provide assistance to the rural sector of that region by implementing the first National Development Plan of the New Republic. President Sarney signed a decree instituting the FINOR [Northeast Investments Fund] for food and the Northeast irrigation programs. He then said that these programs will change the Northeast and, consequently Brazil, since that region is the country's poorest.

SPACE RESEARCH OFFICIAL ASSESSES CHALLENGER LOSS

PY311116 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jan 86 p 21

[Text] Sao Jose dos Campos -- Major General Hugo de Oliveira Piva, 58 years old, director of the Aerospace Technology Center (CTA) in Sao Jose does Campos, 89 km northeast of Sao Paulo, has said that the Challenger accident will not affect the Brazilian space research program. Piva said that: "We have been carrying out research with rockets purchased abroad for the past 21 years. We have just made great progress in the field of advanced technology with the Sonda-4 rocket. It would be unreasonable to believe that an accident suffered by a U.S. space shuttle may set our country back, especially in a field in which we are making steady progress."

Piva expressed surprise about the space shuttle explosion because, he said, "from a pessimistic point of view, that is, taking into account all the possible problems with such a sophisticated project, the Challenger was more than 98 percent reliable." Piva said it is quite unlikely that the explosion was caused by defects in the two "boosters" [in English] or in the fuel tanks filled with solid fuels (polybutadiene, ammonia perchlorate, aluminum powder, plasticizers, and catalysts) because of the highly reliable material used. The CTA director asserted that "it is possible that the problem started in the large tank filled with liquid hydrogen and oxygen, although it is difficult to voice an opinion from a distance."

There are 600 professionals working in the Brazilian space research program. Among these 600 are 200 engineers and 20 Air Force officers who are also engineers. They are developing the Sonda-4 project -- the third of the five scheduled launchings of this rocket will take place in December 1986 -- as well as the Satellite Launcher Vehicle, VSL, a project that should be ready to fly in 1989. Regarding the cost of the projects currently underway, the CTA director asserted that "it is very difficult to give any figures, even approximate, but it is easy to add up the benefits the projects are yielding. One piece of equipment used in the space program to manufacture high precision metal tubes is used industrially and allows the country to save $1 million per month, which, of course, is much less than we are spending."

IMMIGRANTS LEAVE PARAGUAY AFTER DROUGHT

PY031732 Brasilia Radio Nacional de Amazonia Network in Portuguese 0900 GMT 3 Feb 86

[Text] As of this week, 2,700 families of Brasiguaios [name given to Brazilian immigrants in Paraguay] will begin returning to Brazil. They did agricultural work in the Paraguayan localities of Paloma, Saltos del Guaira, [name indistinct], and Corpus Christi, but the drought destroyed the crops and left the Brasiguaios unemployed and without food. Their only solution is to return home.

OFFICIAL DENIES CHILEAN SHIPS SUPPLY CONTRAS

PY031830 Santiago Domestic Service in Spanish 1630 GMT 3 Feb 86

[Excerpt] Foreign Ministry spokesman Pablo Valdes has denied a report that Chilean flag ships are carrying weapons for the rebels operating on the Nicaraguan borders. Valdes said that the report gave no details and that no comment will be made on the subject. The Nicaraguan defense minister had charged that a Chilean flag ship manned by a Uruguayan crew was heading for Costa Rica, carrying arms for the rebels on the Nicaraguan borders.

[Begin Valdes recording] The news agency that carried the report should learn more details in Managua. The information is so vague that we will not make any comment on it. You know, in case the report is true -- something we doubt -- was it a merchant ship sailing under the Chilean flag? The report said it had a Uruguayan crew. Was it a rented ship? We would like to know more details. At this time we can make no other comments. [end recording]

TALKS ON TERRORISM HELD WITH ARGENTINA

PY311456 Santiago Domestic Service in Spanish 2200 GMT 30 Jan 86

[Relay from Foreign Ministry by reporter Alejandro Urbina]

[Text] Good afternoon. Regarding a matter of concern for the Chilean Government, the Chilean ambassador in Argentina has held a meeting with the Argentine foreign minister. The discussion centered on the problems and fears concerning terrorism, which were reported by Argentine officials. Concerning this matter, the Foreign Ministry this afternoon released the following official communique:

As reported a few days ago, Chilean Ambassador to Argentina Arturo Fontaine asked the interior minister of that country, Mr Antonio Troccoli, for a meeting. It is appropriate to note that in the absence of Foreign Minister Caputo, Minister Troccoli is also acting as Foreign Minister. The meeting took place yesterday in Buenos Aires. During the talks, viewpoints were exchanged on bilateral relations, including the concern expressed by the Argentine minister himself regarding terrorism and the need to prevent it from spreading.

The talks were held in a very positive atmosphere in which great frankness and cordiality prevailed, both sides expressing the willingness of their respective governments to strengthen and expand the relationship between the two nations.

FARC, GOVERNMENT END MEETING IN LA URIBE

PA041443 Bogota Television Service in Spanish 0100 GMT 3 Feb 86

[Text] In La Uribe, another meeting between the Peace Commission and the FARC [Revolutionary Armed Forces of Columbia] high command has ended. Great progress was made regarding the deactivation of some guerrilla fronts and toward a truce.

[Begin recording] [Unidentified reporter] The national government and the FARC made progress in the discussion of an eventual extension of the truce, but the bases of the agreement after 2 days of talks in La Uribe, Meta, were not revealed. Doctor Aguedel Agudelo Rios [Peace Commission president], the Peace Commission has again met in La Uribe with the FAR high command. What were your basic conclusions?

[Agudelo Rios] We really made progress at this meeting.

[Reporter] What are you basically seeking through these meetings?

[Agudelo Rios] To defer the La Uribe agreement, eliminate the defects it may have, and add new solutions that will hasten the peace process.

[Reporter] Meanwhile, the FARC presented a counterproposal aimed at strengthening the peace progress. The proposal was read by General Jose Joaquin Batallana, retired, a member of the Peace Commission.

[Batallana] While insisting on the lifting of the state of siege, the FARC is collaborating with the effort to restore normalcy throughout the entire country, or at least in the regions where they are present, in order to make this measure easier for the government to implement as soon as possible. [end recording]

Despite so many announcements of the FARC's willingness to enter a decisive phase and consolidate the peace process, armed actions continue in Cauca. The so-called National Guerrilla Coordinating Board formed by the M-19 [19 April Movement] and Quintin Lame ambushed an Army patrol near Popayan. Six soldiers were wounded and four killed. Tonight one of them was transferred to the military hospital in Bogota.

GUERRILLAS, POLICE BATTLE IN NORTHERN CAUCA TOWN

PA031628 Bogota Emisoras Caracol Network in Spanish 1215 GMT 3 Feb 86

[Excerpt] Popayan -- This morning a guerrilla group seized the town of Morales, Cauca Department. The group harassed the population and later clashed with 20 policemen. Police sources have reported that clashes are currently taking place near Morales, a town in northern Cauca Department. The sources said that the guerrillas have not occupied Morales but there are clashes in the area. The attack on Morales took place 24 hours after the ambush on a military patrol on the Pan American Highway between Santander de Quilichao and Piendamo, where at least 4 soldiers died and 10 others were wounded. Prior to this, the guerrillas attacked public and private vehicles near Inza, also in El Cauca, and stole more than 3 million pesos. The authorities decided [words indisinct] the latest events in Cauca. The Army decided to send special units to the northern region of Cauca to repel subversive attacks.

There is currently heavy fighting in the hilly area of Morales municipality. At approximately 0430 this morning, a column of a subversive group of the National Guerrilla Coordinating Board [Coordinadora Nacional de Guerrillas] seized the town of Morales, in the northwest region of Cauca Department. Approximately 20 police agents repelled the attack carried out by 200 men who seized the Agrarian Institute Bank. Many police and Army units have been sent to Morales to pursue the guerrillas who seized the town. The guerrillas cut the electricity service and are now facing police patrols. The revels seized the telecommunications enterprise. It was reported that the streets of Morales are empty.

STATE OF SIEGE TO CONTINUE THROUGH ELECTIONS

PA310503 Bogota Television Service in Spanish 1730 GMT 30 Jan 86

[Text] The state of siege will not be lifted before the parliamentary and presidential elections in March and May, respectively, Government Minister Jaime Castro announced today. The official said that electoral registration has increased in the past few days.

[Begin recording] [Castro] We have been touring the departments to verify the pre-electoral situation in these territorial entities. Thus far, we have visited 8 capitals and we hope to end our tour within the next few days after visiting the remaining 15 capitals. As a result of these visits and other reports we have received, there is no doubt whatsoever that the elections will be carried out in the entire country and, furthermore, that they will be carried out under totally normal conditions and within a climate of the greatest guarantees.

[Unidentified reporter] Mr Minister, when you say normalcy and guarantees, is there any hope that the state of siege will be lifted for the elections?

[Castro] The fact that there is a state of siege does not in any way mean that elections will not take place within a climate of normalcy. This has happened on previous occasions. Furthermore, I must remind you that Article 121 has not been used and will not be used to interfere, regulate, or guide the political process. There is not one single state of siege law in existence that has any relation to the electoral process.

[Reporter] What reports do you have regarding the registration of identification cards for electoral movement?

[Castro] By 27 January, comparing what had been done by that date in 1982 and 1984, we find that registration and zoning [inscripcion y zonificacion] has increased by 70 percent, a little more than 70 percent. This is not due to mere vegetative growth, it demonstrates that Colombians, will take full advantage of the opportunities offered by democracy to decide their own future and to intervene with real power in the decision-making process regarding the public issues they are interested in because they have an effect on their individual and collective lives. [end recording]

OIL PRICE WEAKENS; PRODUCTION TO INCREASE

PA312158 Paris AFP in Spanish 1925 GMT 31 Jan 86

[Text] Quito, 31 Jan (AFP) -- Ecuador, an OPEC member, has officially announced that it will market its crude oil on the basis of the Alaska petroleum price, thus leaving the official price of $26.15 ineffective. Energy and Mines Minister Xavier Espinosa said that the measure is aimed at "neutralizing the effects" of the drop in prices.

Ecuador plans to increase its production to approximately 300,000 barrels in order to overcome the crisis that affects its fiscal situation. In the past, Ecuador produced approximately 185,000 barrels. According to official estimates, for each $1 drop, in price Ecuador, loses $60 million. Half of that revenue went into the national treasury and the rest went to approximately 43 institutions that share that revenue.

Minister Espinosa said that "the petroleum market remains difficult" because Britain has not reached an agreement with OPEC and, in reprisal, Saudi Arabia will place an additional 2 million barrels a day on the market. Espinosa indicated that the average price for the Ecuadoran crude in January was $22 a barrel, but that effective tomorrow, 1 February, a greater drop is expected forcing prices down to $19.

FEBRES THREATENS PHARMACEUTICAL LABORATORIES

PA020139 Madrid EFE in Spanish 2337 GMT 1 Feb 86

[Text] Guayaquil, 1 Feb (EFE) -- Ecuadoran President Leon Febres Cordero has announced here that drastic measures will be taken against international pharmaceutical laboratories, which he described as "the bloodsuckers of the Ecuadoran people." The local press published today some statements by Febres Cordero in which he admits there is a problem with the supply and prices of medicine, which he has been "enduring from the beginning of his administration because the laboratories do not want to understand that medicine is a necessity of the people."

The Ecuadoran president said that on 10 February he will authorize the government to purchase all the medicine the country needs in order to sell it directly to the people. In conclusion, he warned the laboratories that he will use the full weight of the law "with things worse than going to jail," he emphasized.

EXPLOSIONS CAUSE BLACKOUT IN DOWNTOWN LIMA

PY031113 Paris AFP in Spanish 1055 GMT 3 Feb 86

[Text] Lima, 6 Feb (AFP) -- Officials have reported that a series of explosions, which began at 0535 (0935 GMT) today, left the Peruvian capital's 6 million inhabitants in darkness. Police sources said dynamite attacks were carried out against high-tension pylons of the electrical network and that security measures were reinforced in downtown Lima, where the area around Government Palace is in darkness.

40 Bombs Detonated

PY031618 Paris AFP in Spanish 1552 GMT 3 Feb 86

[Text] Lima, 3 Feb (AFP) -- Shining Path terrorist commando groups today caused a widespread blackout in Lima and launched a wave of 40 bomb attacks against political offices, banks, high-tension pylons, government offices, and other targets, the Peruvian police have reported. Three attacks against offices of the ruling American Popular Revolutionary Alliance (APRA), and other attacks on eight bank offices, at least three high-tension pylons, the San Jorge Prison, and the Fisheries Control Office, have left a toll of three people injured and heavy damage, according to a report by government officials.

FIRM STANCE MAINTAINED ON FOREIGN DEBT ISSUE

Legislators Reject 'Warning'

PY311700 Madrid EFE in Spanish 0447 GMT 31 Jan 86

[Text] Lima, 31 Jan (EFE) -- The U.S. warning that Peru could remain outside the international monetary market because of its position on the foreign debt problem was termed in Lima today a "threat" by Washington and was "rejected" by spokesmen of the Peruvian Congress and economic sector. The wraning, made by a high-ranking U.S. official to eight Peruvian legislators who visited Washington, refers to a decision by President Alan Garcia's government to pay its foreign debt, which amounts to more than $13 billion, with only 10 percent of its export earnings.

Justo Debarbieri, first secretary of the Senate, said that the country "more than ever is united in view of these threats," which he hopes will not materialize. Leftist Senator Genaro Ledesman voiced "indignation over the new IMF threat," and added that "the Peruvian people are united now and they will support the government" in its decision regarding the payment of the foreign debt. Independent Deputy Enrique Chirinos commented that there are sectors within the U.S. Government "that still do not understand that our countries definitely cannot pay their debt under the terms they demand."

Herless Buzzio, manager of the National Confederation of Merchants (CONACO), said that it was "another maneuver of the U.S. Government seeking to discredit President Alan Garcia's nationalist, democratic, and popular regime in the international sphere," and rejected the warning. Gonzalo Garland, president of the Exporters Association, said that Peru should not be threatened like this because "we have the capacity to pay our debt with the export of traditional and non-traditional goods."

Senator on 'Blackmail'

PY011420 Lima Radioprogramas del Peru in Spanish 1140 GMT 1 Feb 86

[Excerpt] Upon his return from Honduras, Senator Carlos Enrique Melgar said that Peru will not accept the blackmail of U.S. financial circles to isolate the country from the IMF if it does not pay its foreign debt punctually. Senator Melgar, president of the Senate Foreign Affairs Commission, also announced that President Alan Garcia will visit Panama in late February to discuss the foreign debt problem with his Panamanian counterpart. He added that international creditors should start becoming accustomed to the idea that neither Peru not Latin America will be able to honor its foreign debt.

Principal Payments Postponed

PY020059 Paris AFP in Spanish 2035 GMT 1 Feb 86

[Text] Lima, 1 Feb (AFP) -- The Peruvian Government announced today a 3-month postponement of principal repayments due 31 January 1986 on its medium- and long-term public foreign debt. A decree published today states that the maturity dates for the debt, as well as the ones for loans contracted by the commercial banks before 31 July 1985 which are not guaranteed by foreign governments or official agencies, will be extended until 2 May 1986. In addition, the maturity dates on debts carried by suppliers, which were transferred to commercial banks, will also be extended to expire on 2 May as far as capital payments are concerned.

The Peruvian Government of President Alan Garcia, who was inaugurated 28 July 1985, has expressed its decision to allocate only 10 percent of its export revenues to foreign debt payments. It also postponed payments on its foreign debt, totaling $1.4 billion [as received], until January 1986. Economy and Finance Ministry sources, quoted by the newspaper LA REPUBLICA, have stated that Peru has not received any loans since the last months of the former government of Fernando Belaunde. According to Central Reserve Bank (money issuer) sources, from July 1985 to January 1986 Peru has only made $194 million in payments on the interest accrued on its debt.

LIMA MAYOR LEAVES FOR HAVANA, NICARAGUA

PY031518 Paris AFP in Spanish 2124 GMT 2 Feb 86

[Text] Lima, 2 Feb (AFP) -- Lima Mayor Alfonso Barrantes and a congressional delegation of the United Left coalition today left for Havana to attend the 38th Congress of the Communist Party of Cuba. Barrantes will also undergo a medical checkup there. The congress will run from 4 to 6 February with the participation of delegations from several Latin American countries.

Before leaving, Barrantes said that from Havana he will leave for Managua to attend the anniversary or 10 February of the death of Nicaraguan hero Cesar Augusto Sandino. Barrantes also said that he will take advantage of his stay in Havana to undergo a medical checkup because he is suffering from a kidney ailment.

BRIEFS

INFLATION INCREASE -- The Peruvian National Statistics Institute has reported that the cost of living during January 1986 increased by 5.2 percent. [Summary] [Lima Panamericana Television Network in Spanish 0200 GMT 2 Feb 86 PY]

OIL FINANCE AGREEMENT REACHED WITH TRINIDAD

FL021650 Bridgetown CANA in English 1924 GMT 2 Feb 86

[Text] Caracas, Feb 2, CANA-REUTER -- Venezuela and neighboring Trinidad and Tobago today agreed to increase energy and financial cooperation in the face of the worsening oil crisis and world economic recession. A joint statement, issued at the end of a three-day visit by Trinidad's Foreign Minister Errol Mahabir, expressed concern at falling oil prices, growing trade protectionism and high levels of unemployment. The two governments will accordingly accelerate the execution of programmes and projects of economic, technical, scientific and cultural cooperation. They said a committee made up of representatives of both countries will meet in Port-of-Spain in June to discuss ways to carry out the agreement.

Mahabir said yesterday after meeting President Jaime Lusinchi that Trinidad is interested in refining up to 40,000 barrels per day of Venezuelan crude in its state-owned refinery. He said also that Trinidad Prime Minister George Chambers will visit Venezuela, possible in May.

Venezuela, a member of OPEC, exports 1.4 million barrels of oil per day and Trinidad and Tobago exports 1.4 million barrels of oil per day and Trinidad and Tobago exports the bulk of the 180,000 bpd it produces. Both depend heavily on the foreign exchange their oil sales produce. [Venezuelan Foreign Minister Simon Alberto] Consalvi and Mahabir also said at the end of their weekend meeting that a stabilization of oil prices is in the interest of all oil exporting nations, OPEC members or not. Trinidad is not a member of the organization of petroleum exporting countries (OPEC)?

The joint statement identified other areas of economic cooperation, including tourism, construction and hotel infra-structure, maritime transport and tax treaties. The two foreign ministers also discussed problems of fishing in territorial waters of the neighbouring countries, to take steps to ensure compliance with a fishing agreement signed last year. Last week, 30 Trinidadian fishermen were detained by the Venezuelan Coastguard for allegedly fishing in Venezuelan waters. Mahabir left today for Port-of-Spain.

FINANCE SECRETARY LINKS OIL PRICE, DEBT SERVICE

PA281359 Mexico City XHDF Television Network in Spanish 1955 GMT 27 Jan 86

[Report by Emilio Fernandez]

[Text] Today in London Jesus Silva Herzog, secretary of finance and public credit, said that drastic decreases in international oil prices could undermine Mexico's ability to meet financial commitments abroad, and that decreases in hydrocarbon prices could represent between $2.5 and $3 billion in lost revenues. Silva Herzog said it is impossible to subject the people to additional burdens. How can I explain, the secretary asked, to a society that has endured this adjustment process so remarkably that more sacrifices are needed to pay the highest interest rates in history? He said the limit of our responsibility to our creditors is set by our responsibility before the Mexican people.

Silva Herzog said that Latin America is experiencing a true emergency. If we do not act swiftly and wisely, we could be facing a period that could make the summer of 1982 seem calm. To avoid this kind of extreme economic emergency, Jesus Silva Herzog proposed three solutions: lower interest rates, additional markets for Latin American exports, and new financing. Antonio Ortiz Mena, the Mexican IDB president, was also present at the press conference which took place in the British capital. The two officials insisted that only a real and sustained economic growth will ensure the fulfillment of foreign debt commitments. As for the Baker Plan, which was proposed by the U.S. treasury secretary to resupply 10 underdeveloped countries with capital, the Mexican secretary said that he is encouraged by the project, but that it is insufficient. Silva Herzog said: The Baker Plan cannot reach its objective of obtaining greater growth when Latin America must at the same time spend a large sum to service its debt. He added that without growth, the debt problem will not disappear.

Meeting With Banks Cancelled

FL032246 Mexico City NOTIMEX in Spanish 2147 GMT 3 Feb 86

[Text] New York 3 Feb (NOTIMEX) -- Mexican Finance Secretary Jesus Silva Herzog has abruptly cancelled a meeting scheduled for tomorrow with a committee composed of the 13 banks which handle the Mexican foreign debt. This is the second time in 2 weeks that Silva Herzog has postponed his trip to New York. The reason was not disclosed but New York banking sources speculate that the Mexican financial official is waiting to have a clearer picture on the international oil situation before meeting with bankers. However, the Mexican Finance Secretariat's Foreign Credit Director Jose Angel Gurria is scheduled to meet with representatives of international banks. This meeting was said to be important. The agenda has not been disclosed but there are strong rumors that Mexico is about to announce, in the next few hours, a substantial reduction in payments on the interest of its foreign debt, which amounts to $96 billion.

ENERGY MINISTER REVIEWS CRUDE OIL MARKET

FL031520 Mexico City NOTIMEX in Spanish 0120 GMT 3 Feb 86

[Text] Mexico City, 2 Feb (NOTIMEX) -- Mexico intends to act calmly, in defense of its interests, to keep the present situation of the international oil market from deteriorating further and to continue with its firm conviction that the country is more than its oil or any other natural resource.

The preceding statements were made by Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa and Pemex Director Mario Ramon Beteta during an interview broadcast by Mexican television. Labastida Ochoa said he does not dare say that the present crisis will be resolved soon, so it is necessary to remain calm, to see what is going to happen, and take steps to keep the situation from deteriorating further. Referring to the steps that must be taken, Labastida Ochoa said it is necessary to make a constructive effort, produce more, conserve, create jobs, export to overcome the crisis, have faith, and realize that the nation is more than its oil. He said that oil is without a doubt an important resource for earning foreign exchange, but Mexico is much more than any one of its natural resources.

When he was asked why Mexico had dropped its crude oil price, he said that, if we want to sell more oil, our price must reflect the world market price because we do not want to flood the oil market. He said that we want to preserve our clients and protect our sales, and achieve a stable price that will be able to compete with foreign oil prices.

When he was asked why more oil is not sold abroad, he explained that to increase prices as other countries have done would lead to a rapid death, drive oil prices down, and worsen the oil crisis. When he was asked about Mexico joining OPEC, he said Mexico has great advantages, flexibility, and capability to act outside OPEC. We can make a greater contribution from outside, he said, because we have flexibility and are capable of taking action and of maintaining a dialogue, and are independent.

Labastida Ochoa said the country should help correct the disorder of the crude oil market by participating in discussions and dialogue with both member and nonmember nations and attempting to normalize the situation. He added that Mexico has enough oil to last well into the 21st century, that Mexico is rich in oil, and has sufficient oil resources to continue to be an oil exporter.

The director of Pemex said Pemex is in better shape now than it was years ago because it has had to take action to cope with an international crisis. Pemex, he said, is greater than it has ever been during its 48 years of life because it is strong and well structured, has healthy finances, a consolidated production and refining capacity, and is capable of continuing drilling activities so its activities will not be impeded in the short run.

With regard to the problems of the Cactus, Chiapas, Salina Cruz, and Oaxaca petrochemical installations in southern Mexico, and the Reynosa and Tamaulipas installations in the north, he said the problems were resolved some time ago, for which reason the supply of gas has not been interrupted. The Mexican official added that, in Mexico, we have been very wasteful of energy, because other countries use less than one unit of energy [as received]. He said that the more a country grows, the more energy it requires, and this is a tendency that other nations have managed to reverse.

BRIEFS

NEW AGRARIAN REFORM SECRETARY — Mexico, 3 Feb (NOTIMEX) — Today Mexican President Miguel de la Madrid appointed Rafael Rodriguez Barrera as new agrarian reform secretary. Rodriguez Barrera replaces Luis Martinez Villacana, who resigned the post to run for governor of the state of Michoacan for the PRI. [Excerpt] [Mexico City NOTIMEX in Spanish 2330 GMT 3 Feb 86 FL]

BELIZE

CENTRAL BANK REPORTS 3D QUARTER EARNINGS, DEFICIT

FL031647 Bridgetown CANA in English 2301 GMT 2 Feb 86

[Text] Belmopan, Belize, Feb 2, CANA -- Belize saw its visible trade deficit widen, but managed to clear its foreign debt arrears during the third quarter of last year, the central bank reported. One of the highlights of the period July-September was the improved performance of the major export crops bananas and citrus.

According to the bank, the visible trade gap widened by 9.4 million dollars (one Bel dollars 49 U.S. cents) to 27.4 million dollars on a seasonally adjusted basis in the third quarter of the year. A sharp dip in the terms of trade helps explain the deteriorations in the trade balance, the bank said in its latest report. External debt payment arrears were said to have been eliminated by the end of September. However, outstanding external public debt rose by U.S. four million dollars to U.S. 75 million dollars.

The net foreign reserves of the bank were boosted by 4.5 million dollars during the year, with the bank saying this was due largely to official capital inflows under the United States Agency for International Development (USAID) economic stabilisation fund and drawdowns on the International Monetary Fund (IMF) stand-by facility.

The citrus season came to a close in June and activities slowed down at both factories over the third quarter. Production of citrus concentrate for export increased by 43 per cent from the second quarter position of 221,000 gallons. Receipts on the other, increased by 51 per cent by 4.3 million dollars in the second quarter to 6.5 million dollars in the third quarter. The bank said the long term prospects for the citrus industry appear good, despite recent falls in the price of citrus on world markets, as negotiations have now been completed for the purchase of parcels of land by Coca Cola Food. It is expected that they will be utilising the land for the cultivation of citrus, the bank said.

Banana exports for the third quarter of 1985 stood at 135,193 boxes, for both first and second class bananas, which represents an increase of approximately 13 per cent in total export over the second quarter position of 119,000 boxes. Earnings, on the other hand, increased by 12 per cent from 1.4 million dollars in the second quarter to 1.6 million dollars in the third quarter. In contrast to 1984 revenue fell by five per cent. The price received for a box for first class bananas is 12.98 dollars while second class bananas fetched a price of 8.01 dollars per box.

The output of marine products for exports continued to increase. In the third quarter of 1984, output stood at 328,000 pounds compared with the corresponding 1985 quarter output of 399,971 pounds. This represents an increase of 21 per cent. Earnings, on the other hand, increased by 18 per cent from the 1984 third quarter position of 3.9 million dollars.

Lobster continued to account for the highest share of marine products export earnings. At 5.6 million dollars in the third quarter, this represents an increase of 19 per cent from the 1984 third quarter position of 4.7 million dollars.

Conch exports fell in the third quarter by 89 per cent to 24,400 pounds, compared with the same period in 1984, when exports of conch stood at 243,000 pounds. Earnings from such exports dropped from 1.0 million dollars in the 1984 third quarter to 0.1 million dollars in the third quarter of 1985.

All other marine products recorded a decrease in the 1985 third quarter compared with the same period of 1984.

The report said activity in the sugar belt of the country has been quiet since the close of the sugar crop year in June, 1985. The bank reported only one shipment, over the third quarter, of molasses and raw sugar -- to the United Kingdom and Venezuela. This brought the total export of raw sugar and molasses for the nine months to September 1985 to 72,064 long tons and 24,645 long tons respectively. The U.S. sugar quota for Belize has been reduced from 24,500 long tons in 1984/85 to 16,000 long tons in 1985/86. This will have a significant effect on sugar earnings for the coming season 1985/86.

The bank reported too that net domestic credit from the banking system to the public sector increased by 3.1 million dollars to 68.6 million dollars, while private sector borrowing fell off sharply. The bank said the central government's overall budget deficit continued to widen, adding that the deficit of 10.1 million dollars in the second fiscal quarter compares with a surplus of 1.4 million dollars in the same quarter of 1984.

A sharp increase in recurrent expenditure by central government compared with the second fiscal quarter of 1984 coupled with stagnant revenues is responsible for a 6.3 million dollar fall in the recurrent budget, the bank said.

COSTA RICA

MONGE ON PAST POLICIES, COUNTRY'S FUTURE

PA030210 San Jose Radio Impacto in Spanish 1632 GMT 31 Jan 86

[News conference by President Luis Alberto Monge at presidential palace in San Jose with unidentified journalists; broadcast in progress -- live]

[Excerpts] [Monge] ... Latin America and the Caribbean, as a country that enjoys full electoral freedom and holds elections regularly every 4 years. In the remaining countries, or at least in a vast majority of them, there are military regimes and rigged elections are held, or no elections are held at all. Now a process has begun during which most incumbent heads of state have been elected. I repeat: I think that, aside from the problems Central America is facing, and aside from the difficulties we have experienced in our relations with Nicaragua, we are currently enjoying one of the most democratically auspicious eras, in which democracy has blossomed in Latin America.

The government must act calmly and prudently because it is its obligation and because this is mandated by our Constitution and laws as well as prescribed or imposed by our country's traditions. Of course, our officials are obliged by the electoral code and our Constitution to be impartial and not to intervene, and they must act accordingly because they would otherwise violate a line of conduct we have firmly observed at the presidency. I will be glad to answer any questions you may have.

[Reporter] Mr President, now that your mandate is virtually over, do you feel that your goal of establishing greater social justice for Costa Ricans has been fulfilled?

[Monge] The most difficult part or chapter in the government's efforts from 1982 to date has been precisely that of assuaging the harm or damage done to Costa Ricans' income by the crisis.

I would say we can be proud of the considerable success we have achieve with our economic measures. However, we were not able to completely cure the lesions or damage that the labor sectors, the underprivileged sectors, and the low income sectors have suffered in our country.

I can say, nevertheless, that we have established the conditions for a new administration to step up the efforts in the direction of correcting injustice. Now that the process of impoverishment of our country has been curbed, it can undertake, with greater capacity and more resources, the task of solving the social problems of housing, land tenure, low income, unemployment, etc. I should say that we cannot feel satisfied with what we have been able to do in the struggle against poverty and social injustice, but we are indeed leaving the country in a better position to continue this struggle.

[Reporter] Mr President, what appeal would you make to Costa Ricans now that the elections for a new government are 48 hours away?

[Monge] Go to the polls. They must not fail to exercise this right we Costa Ricans fully enjoy. I would say that not voting would be a sin against our homeland and that a maximum effort must be made in the next few hours to fully restore calm in the minds of all Costa Ricans, particularly in the minds of our political leaders.

The various political parties have already accused each other, have exchanged words, sometimes angrily and heatedly. I feel that to keep a tone of overexcitement right up to the moment when the votes are to be cast is not healthy for the process. So, I appeal to the people to cast their votes so that we Costa Ricans can return to complete calm and full brotherhood. Let the number of votes cast say the last word.

[Reporter] Foreign Minister Gutierrez has asserted that if the next government eliminates neutrality, it will inevitably have to enter a process of militarization. What can you tell us about this?

[Monge] We do not wield our neutrality policy as a shield for our foreign policy. Consequently, we are frequently accused of being manipulated by the CIA. It has often been said that Costa Rica permits warlike actions from its territory. Those charges would perhaps be believed by people who do not accept our stance of neutrality. The aggressions suffered by Costa Rica would be in danger of being justified, at least in the eyes of some abroad. We already know that here we will never be able to justify aggressions against our country. Before other countries and international sectors, however, we would have to run the serious risk of organizing an army in order to repel by force of arms any attempts at aggression against our country.

[Reporter] Mr President, is Contadora buried? Do you think it is in agony? Can the organization be revived?

[Monge] Well, a special effort is being made to resuscitate it. We still cannot say whether we will succeed in this nor not. Anyway, efforts are being made in this direction. You have already been told that the group has again been convoked for a meeting in Panama City next week. We plan to attend because we still feel the great obstacle for Contadora that prevents it from successfully completing its effort and process is represented by Nicaragua's refusal to sign the peace document.

[Reporter] Mr President, you have just mentioned the situation of Contadora. For something to come to life again, it must be dead in the first place. Do you feel then that Contadora is dead?

[Monge] We can say that in November, when Nicaragua refused to sign the document, Contadora became completely paralyzed, if it did not die.

[Reporter] What effect has the foreign debt problem had in trying to solve some social problems?

[Monge] A terrible, terrible effect. For this reason, in one of my recent speeches -- I am not sure if it was during the electoral campaign -- I invited the two parties that stand the best chance of winning the presidential elections not to wait until May to resume negotiations with our creditors. I feel the sacrifice we have made so the international financial community can respect us and consider us honorable clients is very great. Almost all the foreign aid we have received has had to be alloted to pay interest on the foreign debt. I have invited the parties, the public, and the people at large to support the efforts in this direction right after the elections, without waiting for the new administration to be installed.

[Reporter] Don Luis, do you feel the country has increased its debt in the past 3 years and 8 months as a result of the crisis itself or has the level of indebtedness remained the same?

[Monge] We have been able to acquire only soft loans. We have not been able to acquire more debts because the commitments made to the IMF banned us from acquiring short-term, high interest loans such as those that led us to such a huge $3 billion debt, the size of the debt when we took over in May 1982.

Therefore, the debt did increase. But it involves long-term, low-interest loans with years of grace to start their amortization. We also received large amounts that are not even debts but gifts. We received many donations from various countries, mainly the United States, but also from EEC countries.

[Reporter] How would you feel about collaborating with a future government, if the opposition wins?

[Monge] I think Costa Rica still has very grave problems due to the Central American crisis, the foreign debt, and the negative factors in the worlds's economy. No Costa Rican could withhold his cooperation from any government in confronting these problems.

[Reporter] What would be the best advice you could give to whoever wins Sunday's election?

[Monge] My main recommendation would be to make a great effort to completely unify the Costa Rican family, and to find a consensus in the way to face internal problems, the foreign debt, and the problems that result from the Central American crisis. My other recommendation is to correct, adjust, and rectify all the programs that need correcting, adjusting, and rectifying, but not to destroy and stop good programs out of political revenge.

[Reporter] Did you feel during your administration that more powers should be given to the president, who many times feels tied down because of existing laws and even because of the legislative assembly. But to make this question easier, do you feel it is necessary to strengthen the office of the president of the Repbulic?

[Monge] No. I don't think so. I believe the legislative branch needs to be changed thoroughly, but it will be difficult. I believe we must break the legislative role away from that of being a body used for political control.

This must be done to save the prestige of one of the most basic institutions in the republican system. Confusion over or delving into areas that correspond to each of these roles can somewhat explain the crisis which the parliamentary system is going through in the world. Instead of advocating the elimination of parliaments, we must advocate their reform. One of these basic reforms is to strengthen legislative reponsibilities because parliaments already have political control. This is a control that has been distorted and spoiled a bit.

[Reporter] Continuing with the same topic, how do you view relations between the executive and legislative branches in the past 3 years and 8 months?

[Monge] They have had their ups and downs. Why hide it? They have had their ups and downs not only because there is a strong opposition bloc, but because the Liberation Party faction has had constant internal difficulties. However, at no time have I thought that the best solution is to close the Assembly. On the contrary, I feel that we must exhaust all dialogue and reconcilation resources in order to process the laws of national interest that must pass through the Assembly. However, I must add that if my relationship with the Assembly has had its ups and downs, I don't believe there were any more ups and downs than the assembly has had with any other president.

[Reporter] How do you view your relationship with the opposition during the past 4 years?

[Monge] I have had a very smooth relationship with the opposition parties, except with the extreme leftist parties. Regarding the other representatives to the Assembly, I talked with them and turned to them without any vanity when I needed them to help me with any matter of national interest. I don't think I was less of a president by having to turn to them to help me with any national problem in which the Assembly had to help. Since by nature I am totally unable to feel rancour or hatred, I have not felt -- at any time regardless of the unjust attacks -- resentful or full of hatred for any of the opposition group's leaders.

[Reporter] After 3 years in power, do you believe the executive branch should have 5-year terms? Do you think you could have done more with 1 more year or were 4 years enough?

[Monge] On the eve of the 1982 elections, a distinguished newswoman asked me the same question. I responded -- a bit jokingly, but also seriously -- that 4 years are not enough for a good government, but 4 years are too much for a bad government. A bad government does more harm to a country in 5 years than in 4. Of course, we cannot take a stand on matters that are purely circumstantial when we discuss political, state, or constitutional theory. Therefore, if the national policy of not allowing the president to be re-elected is going to continue, I believe that increasing the presidential term to 5 years is best. This should be done if the principle of non-reelection of the president continues. Increasing the term to 5 years is recommendable, and letting the people assume the responsibility for choosing is best. If the people make a mistake, let them suffer the consequences.

[Reporter] In this political campaign, the opposition has generalized and used the topic of corruption. As president and a person who led the destiny of the country for the past 3 years and 8 months, we want to hear your opinion because you have been attacked indirectly also.

[Monge] I reserved my response to this repeated charge during the campaign.

I reserved my response especially concerning the embezzlement problem, which was true, real, proven, and which occurred with national emergency funds. These were funds accumulating for relief of earthquakes, floods, or any other grave incidents -- occasions on which special resources are needed. In addition, we had reorganized what is known as civil defense.

I will give you some brief explanations because I don't think this is the time -- on the eve of the elections -- to enter into polemics with opposition leaders who made this a central issue. I believe that this government has fought corruption just like any other administration. We have never impeded the investigative organizations or the courts when an official has been accused of committing a crime or of being involved in irregularities in handling state funds. We have not conspired with any official who has been disloyal to the policy of honesty in public administration.

There they were at the courts. Some of them were tried, and in the end the accusation was unfair. It was baseless. However, they had already been presented to the country. Unfortunately, the moral damage was done. They had already been tried by the people in the media. Therefore, there wasn't much satisfaction or compensation in hearing that the courts said they were unjustly accused when they had already appeared in the newspapers, radio, and television as criminals.

However, in the specific case of the national emergency funds, the culprits have been tried and the country knows this. However, what worries me the most is that in the accusations against the vice president, the government, and the president, more specifically, we undoubtedly noticed contacts, information, and documents supplied by the defendants to strike out at the government and the vice president. In other words, in my judgment there is a conspiracy between those who attack us because of these crimes and those who were tried at the courts.

GUATEMALA

CEREZO RULES OUT DEVALUATION OF QUETZAL

PA031454 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 1 Feb 86

[Text] In statements to newsmen at the presidential house, President Vinicio Cerezo assured them that the quetzal will not be devalued. The country's problems are complex and to resort to such a handy measure as the devaluation of our currency can only increase the cost of living. This is something the government will not allow to happen because it would mostly affect the low income sectors. We must find other ways to solve these problems, he added.

President Cerezo told the newsmen that his government is going to reduce the nation's expenditures by 10 percent. The main purpose is to try to reduce the state's deficit and increase our funds. Another important action the government is going to take is to try to collect those taxes that for some reason we are not collecting. I am not thinking about new taxes, he said. I am referring to taxes the state should have collected, but it has not, President Cerezo explained.

Referring to the teacher's and public employees' wage increase, he said it will cost the state approximately 70 to 100 million quetzales, but it will not affect the state's budget because the money will be obtained from the 10 percent reduction in state expenditures and the taxes to be collected. President Cerezo explained to the newsmen that the 50 quetzales increase in teachers' wages was approved when they agreed to let the other public employees, who have very low wages, have the other 50 quetzales they were demanding. President Cerezo reiterated that the wage increase is only for workers with very low wages.

NO TIES WITH SOCIALIST COUNTRIES SEEN IN FUTURE

PA021521 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 31 Jan 86

[Excerpt] The Foreign Ministry announced today that for the time being the Guatemalan Government has dismissed the possibility of establishing consulates in socialist countries. Salvadoran Vice President Rodolfo Castillo Claramount, who is currently visiting in this capital, yesterday suggested the possibility that his country and Guatemala might eventually have this type of diplomatic representation in communist countries.

However, Guatemalan Foreign Minister Mario Quinonez Amezquita today said the following concerning this matter:

[Begin recording] [Quinonez Amezquita] The idea of joint diplomatic representation abroad was mentioned a long time ago. It is nothing new. What I can tell you is that Guatemala's idea is that if at some point we were to have joint representation abroad, it would have to be a representation of the Central American countries rather than just two countries, in this case, El Salvador and Guatemala.

No. If we reach some agreement, it should be a joint representation involving all of the Central American countries -- that is, we would appoint an ambassador to represent all five countries in certain places. The fundamental reason is simply one of cost. That is the reason. For instance, except for our diplomatic representation in Egypt, I know of no other Central American country that has representatives in Africa. And it is not a matter of not wanting them, but sometimes the economic resources [words indistinct].

[Question indistinct]

[Quinonez Amezquita] At this point, what with the ongoing Central American conflict, it would be quite difficult for us to join efforts in that direction. [end recording]

MUTUAL SUPPORT GROUP PROTESTS IN CAPITAL

PA031459 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 1 Feb 86

[Text] The Mutual Support Group [GAM] held a demonstration yesterday afternoon in front of the National Palace in the first public demonstration faced by the civilian government of President Vinicio Cerezo. First, GAM members held a religious ceremony on the south side of the central square, where they prayed to God for their relatives' reappearance.

They also criticized Metropolitan Archbishop Monsignor Prospero Penado del Barrio for not allowing them to say mass in front of the cathedral. Because Msgr Penado del Barrio refused to give them permission to say mass inside or just outside the cathedral, the families of the missing persons had to pray and say mass in the open air in the main square. They wasted no time in criticizing Msgr Penado del Barrio for his attitude. The GAM leaders used their loudspeakers to make strong accusations against Msgr Penado del Barrio, calling him a pastor who had abandoned his flock.

Meanwhile, Msgr Penado del Barrio said he shares the GAM members' concern over the fate of their relatives, but he did not approve of nor could he accept the procedures they were using to demand their rights.

HONDURAS

FURTHER DEVELOPMENTS ON RESIGNATION OF LOPEZ REYES

Gonzalez Named Acting Chief

PA031443 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Feb 86

[Excerpts] Tegucigalpa -- It has been officially reported that Colonel Efrain Gonzalez Munoz, who is also an attorney, temporarily assumed the post of commander in chief of the Honduran Armed Forces on 1 February following the removal of General Walter Lopez Reyes. Within 15 days, the Superior Council of the Armed Forces, Cosufa, will present to Congress a list of candidates to definitely replace Gen Lopez Reyes.

The new temporary command of the Armed Forces was considered the lieutenant of Lopez Reyes, whom he temporarily replaces because he is chief of the Joint General Staff. Gonzalez Munoz is described as an officer with a brilliant record. He is a graduate of command and staff schools in Venezuela and Brazil, and he has been a director of the Francisco Morazan Military School and a commander of infantry units.

During the government of General Osvaldo Lopez Arellano, Gonzalez Munoz was under secretary of government and justice. During the administrations of Generals Juan Alberto Melgar and Policarpo Paz Garcia, he was culture, information, and tourism secretary. As secretary, he participated in several conferences sponsored by UNESCO. In 1979, Gonzalez Munoz was director of the Armed Forces Command and Staff School and was subsequently appointed director of the National Geographic Institute.

The new military commander did not have a very prominent role between 1982 and March 1984 when General Gustavo Alvarez Martinez was commander in chief of the Armed Forces. On 31 March 1984, he was one of the officers who played a decisive role in the fall of Alvarez Martinez, an authoritarian officer and self-declared anti-communist who was accused of corruption and abuse of power, the INTERPRESS SERVICE dispatch states.

Within the military structure, Gonzalez Munoz became the number two man after Gen Lopez Reyes. As chief of the Joint General Staff, he was one of the main Honduran negotiators in the revision of the 1954 bilateral economic and military aid agreement with the United States. Col Gonzalez Munoz is a law school graduate of the Honduran National University. He is married and has three sons and one daughter.

We will now read a NOTIMEX dispatch: The Central Intelligence Agency, CIA, is mainly responsible for Gen Walter Lopez Reyes' removal as commander in chief of the Armed Forces. Lopez Reyes and his family unexpectedly left the country yesterday for the United States.

Political and military sectors in Tegucigalpa have commented that his departure means one more turn to the right for the Honduran militarymen and a hardening of relations with Nicaragua. They believe that in the future, Honduras will more openly permit the use of its territory to help the counterrevolutionaries fighting against the Managua government.

The CIA used personal ambitions in the Honduran Army and economic pressures to displace Lopez Reyes, who in March 1984 forcefully removed Gen Gustavo Alvarez Martinez as commander in chief of the Armed Forces.

The North Americans had picked Alvarez Martinez to replace Somoza as the unconditional defender of their interests in the region.

Col Efrain Lisandro Gonzalez Munoz will temporarily hold the post of commander in chief. The following officers have been mentioned as candidates to hold the post of commander in chief: Colonels Said Speer, commander of the Armored Cavalry Regiment; Leonel Riera Lunatti, commaner of the 1st Infantry Battalion; and Guillermo Thuman Cordon, currently commander general of the Army, whose name is most insistently mentioned.

Lopez Reyes' U.S. Trip Explained

PA031359 Tegucigalpa Domestic Service in Spanish 1130 GMT 3 Feb 86

[Communique issued by the Honduran Armed Forces Public Relations Directorate; date not given -- read by announcer]

[Text] The Honduran Armed Forces Public Relations Directorate reports the following to the domestic and international public:

1. Brigadier General Walter Lopez Reyes, former commander in chief of the Armed Forces, left on the morning of 2 February for Houston, Texas, the United States of America, aboard a private plane from the United States.

2. Gen Lopez Reyes left due to a personal decision and without pressures of any kind. He left exclusively for health reasons and to rest in the company of his family. Therefore, the assertions made by certain media that the former commander in chief has been pressured into leaving the country for an indefinite time are false and biased. Neither the Higher Council of the Armed Forces as a collegial body nor the senior military authorities have taken any action in this regard.

3. The former commander in chief is an officer on active duty in the institution who holds no specific post for the time being and, pursuant to Article 263 of the law on the creation of the Armed Forces, will be assigned to the officers' pool [deposito de oficiales] until such time as he fills a vacant post among the institutional cadres or retires from the institution. Therefore he remains subject to the military laws and regulations currently in force.

4. It is totally false that the irrevocable resignation filed by the former commander in chief was caused by the fact that he detected any acts of wrongdoing, disloyalty, indiscipline, or a lack of professionalism in the institution as some media have continued to assert. On the contrary, as he has stated verbally and in writing, his resignation is strictly for personal reasons.

5. For the public's information, we hereby quote the text of the note he addressed to President Jose Azcona Hoyo after his irrevocable resignation in order to request permission for a reasonable leave time to go to the United States, which leave time was granted. The note reads as follows:

Brig Gen Walter Lopez Reyes. Tegucigalpa, Central District. 1 February 1986

His Excellency Jose Azcona Hoyo, constitutional president of the Republic and commander in chief of the Armed Forces. Presidential House

Mr. General Commander:

With the subordination and respect due your high office, I take the liberty to ask your excellency through this means for permission to take some rest for a reasonable length of time and undergo a medical checkup in the United States of America, to which I will travel with my family.

I wish to inform you that since 1975, when I was commander of the Armando Escalona Espinal Air Base at La Lima, Cortes, to date I have not taken any rest because of the high responsibilities of my service in the various positions I have held. My request is promoted by these reasons, which I hope will be taken into consideration and handled accordingly.

With subordination and reiterating my high esteem for you, I send you my respectful regards.

Loyalty, honor, sacrifice.

[Signed] Brig Gen Walter Lopez Reyes

Copy to: General Staff, files. Authorized. Seal. Signed: Jose Azcona Hoyo, constitutional president.

6. The Honduran Armed Forces Public Relations Directorate issues this official communique in view of the corresponding speculation that may arise in view of the former commander in chief's trip.

Azcona Comments

PA031736 Tegucigalpa la Voz de Honduras in Spanish 1642 GMT 3 Feb 86

[Interview with Honduran President Jose Azcona Hoyo by Reporter Jose Emilio Soriano in Jutiapa -- live]

[Text] [Soriano] May a crisis occur within...

[Azcona -- interrupting] I don't think there will be a crisis.

[Soriano] Speculation and comments in the international press indicate that it was the CIA that removed General Lopez. Do you have any comment on this?

[Azcona] I don't think so. I think this has been an internal Armed Forces issue and he filed this irrevocable resignation. I don't think the U.S. Embassy, much less the CIA, had anything to do with this.

[Soriano] Do you think there were pressures?

[Azcona[I think yes. The Honduran Armed Forces have attained a very high level of maturity and respect the Constitution of the Republic.

[Soriano] Don't you think there were pressures from the U.S. Government.

[Azcona] I don't think so. I don't know. I don't think there were any.

[Soriano] Your government is currently being installed and this may create a crisis. Don't you think this will happen?

[Azcona] I don't think so.

Gonzales Views Situation

PA031949 Tegucigalpa Voz de Honduras in Spanish 1709 GMT 3 Feb 86

[Interview with Colonel Efrain Lizandro Gonzalez, acting commander of the Honduran Armed Forces, by unidentified journalists at Our Lady of Suyapa Church in Suyapa on 3 February -- recorded]

[Text] [Reporter] Good morning, Colonel Gonzalez. Pardon me for bothering you. It has been said that there was a very brief crisis within the Honduran Armed Forces; others say that it is not so brief. What can you tell us about this?

[Gonzalez] I don't believe that there is a crisis. The normal, foreseen process has occurred after the voluntary resignation submitted by the former commander.

[Reporter] It is said that you are the virtual new Armed Forces commander. It is said that you are one of the strongest candidates.

[Reporters] [Two reporters ask a question simultaneously] ...adviser to the Armed Forces. He said he will return in 3 weeks. Nevertheless, he bade farewell in a very emotional way and even had tears in his eyes.

[Gonzalez] Well, emotional problems depend very much on the people and the circumstances. He is an officer on active duty who does not have a specific post to occupy. However, he could be appointed adviser to the Armed Forces.

[Reporter] You are chief of the Joint General Staff of the Honduran Armed Forces. Therefore, you should know who will head the list that will be submitted to Congress. Is it true that Thuman Cordon is the man?

[Gonzalez] Well, I cannot tell you anything ahead of time because that issue will be settled in a session soon to be held by the Superior Council of the Armed Forces.

[Reporter] Colonel, the people are concerned over this action carried out by the Armed Forces. What explanation can be given to them?

[Gonzalez] What action by the Armed Forces? I am currently fulfilling the duties of the commander in chief of the Armed Forces. The future commander in chief will be chosen during an election that will be held by Congress from a list of three candidates supplied by the Superior Council.

[Reporter] Did the U.S. Government exert serious pressure and provoke this crisis?

[Gonzalez] There has been much speculation about this. However, on various occasions we heard the remarks voluntarily made by the former commander of the Armed Forces that the reasons for his resignation were purely personal.

Consequently, I don't think there was any pressure.

[Reporter] However, it is said that General Lopez Reyes won't return to Honduras because of the way in which he left.

[Gonzalez] I don't think there is any reason for him not to be allowed to return to Honduras. He is a Honduran citizen. In fact, he is a prominent Honduran citizen and there is no law that bans him from returning to the country.

[Reporter] The fact that Gen Walter Lopez Reyes left unexpectedly.

[Gonzalez] Gen Lopez Rkyes announced that he was going to submit his resignation as commander in chief. Then, he announced he was going to withdraw it. Later, he presented it definitely, and in an irrevocable manner. This is something that was within his duties and his personal will as commander in chief of the Armed Forces. I don't think this is a cause for concern by the Honduran people.

[Reporter] (?The Catholic Church) said it is worried about it.

[Gonzalez] The Honduran people should be worried about the country's general situation. We must all have a desire to improve our situation. But the Armed Forces remain the same; the organization is the same. There is no change. The missions they carry out are being fulfilled to the extent of the ability of the institution. It was only one commander in chief who decided to resign. The law foresees how his vacancy should be filled. The Armed Forces are not without a leader right now. By virtue of the law, I assumed command. And, within a period also determined by law, a new commander will be chosen with his full rights.

[Reporter] You said there is intrigue within the Armed Forces and that this could result in a crisis. What is the true picture within the Armed Forces?

[Gonzalez] I don't think there is any intrigue. With things like this -- when a new commander in chief is elected -- it is logical for new opinions aimed at benefitting a certain candidate to appear, but they aren't true intrigues.

[Reporter] Are you talking about a technical coup? Is this what happened, taking into consideration that some relatives of Gen Lopez Reyes said he was forced to resign? They said several Army officers visited him at 0930 to ask for his resignation. Later, it was also said that there were armored vehicles at the Armed Forces General Staff installations.

[Gonzalez] I remained at the Armed Forces headquarters where the Joint General Staff offices are located. I did not see an armored vehicle or anything like that at any time.

[Reporter] Colonel, will there be more purges within the Armed Forces?

[Gonzalez] I don't think there have been any or that there will be any within the Armed Forces.

[Reporter] It was said that unexpected changes within the Armed Forces recently prompted a crisis caused by the famous men of the sixth graduating class. What can you tell the Honduran people about this?

[Gonzalez] I cannot explain things I don't know anything about and which I don't believe happened.

[Reporter] You have assumed command of the Honduran Armed Forces. What can you tell Hondurans about your defense of our territory in view of flagrant violations of it by Nicaragua?

[Gonzalez] This is a problem that has concerned us for a long time. Our responsibility is the country's security and the protection of our national sovereignty and territorial integrity. It is a grave problem existing in the Central American region, and due to this problem, undoubtedly we cannot guarantee true tranquillity and peace in our region because of the constant incursions made by groups that belong to the military forces of the current Nicaraguan Government.

[Reporter] Do you think the commander of the Armed Forces is ready to face this -- the conditions the country is in -- and the Central American situation?

[Gonzalez] I think that any person chosen by the Superior Council to be one of those on the list of the three persons that will be proposed to Congress can be chosen because the Council feels he is prepared.

Now, personally, as far as I am concerned I have been in military service for 29 years, 4 of them as a cadet and 25 as an officer. I think I have acquired enough experience to run the Armed Forces. This is also the situation of many other officers who are in the service.

[Reporter] Colonel, as top Armed Forces commander, how would you explain to Hondurans that in 5 years we have had four Armed Forces commanders?

[Gonzalez] Our country is one in evolution. We are making a constant effort to improve. When a country evolves, changes must also take place. Adaptations must be made to the new changes presented by the international arena and the country's internal needs.

[Reporter] It was said that after Lopez Reyes left the Armed Forces command, General Alvarez Martinez could return to Honduras to give advice on what is allegedly referred to as contras in Honduras.

[Gonzalez] Well, Gen Alvarez Martinez is also a Honduran citizen. If he does not have a legal problem he can return to the country.

[Reporter] Does he have legal problems?

[Gonzalez] I don't remember exactly.

[Reporter] You don't remember or you don't want to tell us?

[Gonzalez] I understand that there is a trial pending in the military courts and also in the common courts. I am not sure. I can't give you any details in this regard.

[Reporter] What will be your military future? You have been a man with very close ties to Gen Lopez Reyes. Will the new men giving the orders and the new leaders continue to... [changes thought] The local press has interpreted the fact that Colonel Riera Lunatti, Colonel Margarito Amaya, and others went to the president to give him the report to mean that they are the new Army leaders.

[Gonzalez] That commission was appointed by the Superior Council to tell the president the Council had learned about the resignation submitted by Gen Lopez Reyes. The commission was chosen by the members of the Council. It has significance only as the commission that took a message to the president.

[Reporter] Let's go back to the Nicaraguan issue. If you become the commander of the Honduran Armed Forces, will you seek a bilateral dialogue with Nicaragua or will you support the stand of the Honduran Government, which is to seek an overall solution for this crisis?

[Gonzalez] I think you must understand that these matters that are related to the country's security, its foreign relations, and its foreign policy cannot be analyzed hastily or superficially. Any policy or attitude taken by the Armed Forces concerning the conflict with Nicaragua or any other conflict we have in Central America should be carefully analyzed with the president, who heads the foreign policy, all of the advisers, the Foreign Ministry, and the pertinent members of the Armed Forces.

[Reporter] Is it true that the CIA was involved in the Lopez Reyes resignation?

[Gonzalez] I have no knowledge of that. All I have as real, firm, and serious information are Lopez Reyes' remarks.

[Reporter] Is it true that Ambassador Ferch was the pioneer of this crisis within the Armed Forces?

[Gonzalez] My answer is the same as the one I gave you for the previous question.

[Reporter] Colonel, I just arrived from Colombia.

[Gonzalez] You are welcome here.

[Reporter] Thank you colonel. There is concern in my country over this type of instability, at least this is how we view what happened in the Armed Forces. What effect will this have on the civilian government that is just beginning?

[Gonzalez] There have been changes in the Armed Forces before. In fact, it is in order to establish a more frequent succession of Armed Forces commanders that we have reduced the period of administration of the commander in chief from 5 to 3 years. However, the changes you mentioned, as I explained before, are a result of the constant evolution experienced by our institution. We must adjust the institution to the changes experienced by the country and the changes in the Central American situation itself.

I don't think that these changes are any danger to the democratic system Honduras has and that involves, thank goodness, the start of a brand new constitutional government directly chosen by the people.

[Reporter] Do you reiterate the Armed Forces' total support for Azcona's constitutional government?

[Gonzalez] I don't think the Armed Forces or the government need to ratify or reiterate their support because it is simply a continuation of the support they have been giving. It is a continuation which the Armed Forces respect. They obey the laws that establish that the elected president of the Republic is the general commander of the military institution.

VISITING SALVADORAN LEADER VIEWS BORDER ISSUES

PA021504 San Pedro Sula LA PRENSA in Spanish 31 Jan 86 p 5

[Text] Tegucigalpa -- Rodolfo Castillo Claramount, Salvadoran vice president and foreign minister, yesterday maintained that his country wants a direct solution to the border conflict with Honduras. In addition, he said that he does not know anything about the recruitment carried out by the Salvadoran army in Meanguera, an island claimed by the two nations.

The ranking Salvadoran official arrived at Toncontin Airport at 1730 and was greeted by his Honduran counterpart, Carlos Lopez Contreras, and Salvador Trigueros, the Salvadoran ambassador in Tegucigalpa. Castillo Claramount said that the reason for his visit is to express to the new government "our will to solve common problems."

Honduras and El Salvador began negotiations on 9 and 10 January to find an agreement and go to the International Court of Justice in The Hague jointly to solve the border problem. The Salvadorans have been maintaining that it is better to continue the direct dialogue while still seeking a settlement in The Hague. Asked if they still hold that position, the Salvadoran vice president replied: "Of course, we have always said it and will continue to say that because we are convinced that a direct solution is the best. It is a solution that brings us closer and it is the most intelligent and appropriate solution." Affirming that he will not present a proposal in this regard to the Azcona Hoyo administration, the Salvadoran foreign minister said: "It is always possible to find a solution, even if the steps to get a ruling from the International Court have already been taken. [quotation marks as published]

NICARAGUAN CARDINAL OBANDO Y BRAVO BEGINS VISIT

PA031640 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Feb 86

[Text] Tegucigalpa -- Amid strict security measures, Nicaraguan Cardinal Miguel Obando y Bravo arrived in Honduras yesterday to carry out religious activities. The prelate, who was invited to the country by Tegucigalpa Archbishop Hector Enrique Santos, will participate in a mass today in honor of the Virgin of Suyapa, the Lady of Honduras.

Hundreds of Nicaraguans who oppose the Sandinist government gathered in Tegucigalpa's Toncontin Airport to welcome the cardinal, a critic of the Managua government authorities. A pamphlet circulated at the airport by the Nicaraguan Democratic Youth stated that Carindal Obando y Bravo struggles against sinners and that his actitivites are not political. Obando y Bravo, who is accused by the Managua government of abandoning his pastoral work and engaging in political activity, was welcomed by Msgr Santos and Auxiliary Bishop Oscar Andres Rodriguez.

NICARAGUA

ORTEGA MESSAGE TO COSTA RICA'S PRESIDENT-ELECT

PA040403 Managua Radio Sandino in Spanish 0000 GMT 4 Feb 86

[Text] Nicaraguan President Commander Daniel Ortega has urged Oscar Arias, the new Costa Rican president, to contribute to peace in Central America.

This appeal by Nicaraguan President Ortega is contained in a letter sent today to the new Costa Rican president. Herewith is the text of the message from Commander Daniel Ortega to the new Costa Rican president.

Your excellency Oscar Arias Sanchez, president-elect of the Republic of Costa Rica

Dear President-elect: Upon learning this morning of your victory in the presidential elections held in that sister country, I am pleased to address you to convey my warmest congratulations on behalf of the Nicaraguan peoples and government. We believe that your victory at the polls opens the prospect of consolidating the peace efforts underway in Central America sponsored by eight sister countries of the continent; and we believe that under the administration over which you will preside as of 4 May 1986, Nicaragua and Costa Rica will be able to enter a new, different phase in their bilateral relations. The fact that you took up as a banner of your political campaign the topics of peace and neutrality, as well as mutual respect between neighboring nations, and the fact that the Costa Rican people have greeted this message as just suggests that we will have a solid base for reciprocal understanding.

For my part, I wish to say that you will find in my government the necessary disposition to work jointly in favor of harmonious and respectful relations between our two countries.

I salute you, Daniel Ortega Saavedra, president of the Republic of Nicaragua. Managua, 3 February 1986.

FOREIGN MINISTRY ON RIVERA, RUSSELL MEANS, CONTRAS

PA021438 Managua EL NUEVO DIARIO in Spanish 31 Jan 86 p 12

[Communique issued by the Nicaragua Foreign Ministry, dated Managua 30 January]

[Text] The Nicaragua Foreign Ministry addresses the national and international public to alert them to the propaganda campaign launched by Mr Brooklyn Rivera and his U.S. advisers regarding his alleged presence in Nicaraguan territory, accompanied by some U.S. citizens, and regarding alleged clashes with troops of the Sandinist People's Army. This propaganda ploy is further proof of Rivera's rejection of the peace talks and autonomy process which the Nicaraguan Government is defending, and which communities from the Nicaraguan Atlantic Coast have supported and participated in.

It is widely known that Mr Rivera has illegally entered the country on various occasions and that he has been guaranteed free transit in the nation's territory, including areas where Indians from the Atlantic Coast are living. Therefore, there are no reasons for Mr Rivera and his companions to have clandestinely entered the country, unless their actions are aimed at promoting terrorism and bloodshed on the Atlantic Coast.

The action by U.S. citizen Russell Means of sending "100 fighters to join Nicaragua's contras and Indians," as he told UPI on 27 December, falls within the framework of that campaign.

The Nicaraguan Government does not assume any responsibility for the fate of people who may have illegally entered the country, and, as has been reported, are in combat zones where the U.S. Government is promoting and financing counterrevolutionary military actions.

CENTRAL BANK CURRENCY EXCHANGE, LOAN MEASURES

PA010108 Managua Domestic Service in Spanish 2300 GMT 31 Jan 86

[Communique issued by the Central Bank of Nicaragua on 31 January in Managua]

[Text] The Press Office of the Presidency of the Republic reports to the Nicaraguan people the following communique issued by the Central Bank:

In order to support the production services and living standard policies package promoted by our government in 1986, and as a complementary action to halt and, if possible, decrease the economic imbalance faced by our country as a result of the backwardness and poverty we have inherited from the past; the criminal aggression imposed on us by the U.S. Government and the defects of international economy; as well as the decision to substantially reduce the cordoba's overall rate to create incentives for production, encourage exportation, contribute to the regulation of the price system, improve our credit, encourage savings and reduce the excess of currency in circulation; and seeking by all of these measures to fight inflation, the Central Bank Board of Directors Council, with the approval of Daniel Ortega Saavedra, president of the Republic and commander of the revolution, has approved the following currency exchange and loan measures:

The export-import currency exchange rate is modified and the cordoba's legal parity is changed to 70 cordobas per dollar. Visible traditional exports such as those protected by the guarantee price system will be liquidated at the established official rate. Visible nontraditional exports and the other visible traditional exports will be liquidated at 75 percent of the official legal rate and the remaining 25 percent at the free market exchange rate. The income obtained from invisible imports of relatively easy control will be liquidated at 50 percent of the official legal rate and the remaining 50 percent at the free market exchange rate. The transactions or income included in these groups are from, among others, insurance; reimbursement; commissions from branches or agents of foreign companies; income from port services not related to merchandise; and income needed by airlines, embassies, consulates, international missions, hotels, communications services and others to pay for local expenses. Fifty percent of payments in cash will be paid at the official legal rate and 50 percent at the free market rate.

Visible and invisible imports will be paid at the official legal rate. Income from transactions not expressly included in the previous categories can be negotiated on the currency exchange free market authorized by the Central Bank that operates through through the currenncy exchange houses.

In specific cases considered suitable for promoting nontraditional exports and obtaining more liquid currency for the country, the Central Bank of Nicaragua can place at the service of exporters or payers the portion of currency to be paid at the free market rate for the restricted use of the exporter or payer. In such cases the currency will be placed at the service of the exporter in a special current account or in a document issued by the Central Bank for this purpose. It can be used by the exporter to pay his own visible imports; to pay for health, travel, and education expenses; and to pay debts to the bank or negotiate the currency income in an authorized exchange house to pay for local expenses.

Interest rates are substantially increased for savings and fixed deposits.

Managua, 31 January 1986

Twenty-five years later, all weapons against aggression!

GOVERNMENT DECREES CONSUMER REGISTRY LAW

PA021527 Managua EL NUEVO DIARIO in Spanish 31 Jan 86 p 7

[Decree No 150 issued by the Foreign Trade Ministry in Managua on 31 January]

[Text] The president of Nicaragua, considering that it is in the revolutionary state's best interest to guarantee the adequate distribution of basic products for the consumers in each of the special regions and zones in the country;

And considering that to do this a solid control system is needed that will guarantee adequate planning of the collection and distribution of the main basic consumption products, in order to avoid duplication of supplies sent to certain sectors, as well as to establish the guidelines for reasonable distribution of consumer goods through the channels established for this purpose;

Therefore, being of sound mind, decrees:

A law Creating the Consumer Registry, the title of the following series of articles.

Article 1. Creates the Consumer Registry, which consists of the establishment of a single system that will control and process all information regarding consumers in each special zone or region in the country.

Article 2. The Interior Trade Ministry (Micoin) has been authorized to apply, control, regulate, and ensure the fulfillment of this law.

Article 3. All citizens within the national territory are obliged to answer the call to register by the organization established for this purpose.

Article 4. Because it is of general interest, this law is public; therefore, the different state and municipal organizations, organized popular sectors, as well as all native and naturalized persons, should offer the collaboration requested for the law's effective implementation.

Article 5. This law will go into effect as of its publication in any form of media, without affecting its later publication in LA GAZETA, the official newspaper.

Given in Managua on 31 January 1986. "After 25 years, all arms against the aggression."

Daniel Ortega Saavedra, president.

FOREIGN DELEGATIONS ARRIVE FOR THIRD PCC CONGRESS

USSR's Ligachev

FL031620 Havana Radio Progreso Network in Spanish 1200 GMT 3 Feb 86

[Text] Numerous foreign delegations continue to arrive in Havana to participate as guests in the Third Party Congress. Army General Raul Castro, second secretary of the Central Committee and FAR minister, has received Yegor Ligachev, member of the Politburo and secretary of the CPSU Central Committee, at the airport.

Vietnamese Party Leader

FL300204 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Jan 86

[Text] Nguyen Van Linh, member of the Vietnamese Communist Party Political Bureau [as heard], departed from Hanoi today to participate in the Communist Party of Cuba Third Party Congress, which will be held in Havana. Micaela Ramirez, responsible for Cuban affairs in Vietnam, accompanied the Political Bureau leader to the airport.

More Foreign Delegations

FL032100/FL040051/FL031604 [Editorial Report] Havana Television Service in Spanish at 1800 GMT on 3 February broadcasts the following on the arrival of foreign delegations to the third party congress:

"Last night was a busy night for the persons greeting the numerous delegations that arrived at Jose Marti International Airport in Havana to participate in the Third Party Congress. Extending first greetings on Cuban soil were Ramiro Valdes, Carlos Rafael Rodriguez, Guillermo Garcia, Julio Camacho Aguilera, and Sergio del Valle.

"Among the delegations that arrived last night are those headed by Chudomir Aleksandrov, member of the Politburo and of the Secretariat [as heard] of the Central Committee of the Bulgarian Communist Party, and Istvan Sarlos, member of the Politburo of the Bulgarian Communist Party and chairman of the National Assembly; Shimelis Mazengia, member of the Politburo of the Workers Party of Ethiopia; (eve altangerel), member of the Politburo of the Mongolian People's Revolutionary Party; Nouhak Phoumsavan, member of the Politburo of the Lao People's Revolutionary Party; Iosif Banc, member of the Executive Political Committee and of the Permanent Bureau and Secretary of the Central Committee of the Romanian Communist Party; Marian Wozniak, member of the Politburo and secretary of the Polish United Workers Party; and Ernest (kabumoure), member of the Politburo of the Zimbabwe African National Union and first secretary of the Youth League of Zimbabwe."

"Greeters and guests conversed at length at the airport following the arrival of the visitors."

Havana Radio Rebelde Network in Spanish at 0000 GMT on 4 February and at 1200 GMT on 3 February notes further arrivals:

"Commander of the revolution and Nicaraguan President Daniel Ortega has arrived in this capital heading a Sandinist National Liberation Front delegation invited to the Third Party Congress. Politburo member Juan Almeida Bosque and Central Committee member Manuel Pineiro welcomed him at the Jose Marti International Airport.

"Milos Jakes, member of the Presidium and secretary of the Communist Party of Czechoslovakia Central Committee, this afternoon arrived in Cuba heading a delegation which will attend our congress. He was welcomed by Central Committee member Joel Domenech and Rafael Polanco, deputy chief of the Foreign Ministry General Department.

"Also arriving in Havana was Jorge Handel, member of the General Command of the Farabundo Marti National Liberation Front and secretary general of the Salvadoran Communist Party, and Ruben Zamora, vice president of the Democratic Revolutionary Front from El Salvador. They were welcomed by Manuel Pineiro.

"Puerto Rican Socialist Party Secretary General Carlos Gallisa also arrived this afternoon and was welcomed by Central Committee alternate member Ricardo Alarcon.

"In the last few hours, other delegations and personalities from parties and political organizations invited to the Third Party Congress have arrived at Havana's airport.

"Only 24 hours before the Third Party Congress begins, the Havana Palace of Conventions is boiling with enthusiasm that spreads to men and women of all occupations and ages. Delegations invited to attend the Third Party Congress continue to arrive in Cuba, including the delegation headed by Mohamed Ben Ahmed Abdelghani, member of the Politburo of the National Liberation Front and Algerian Minister of State for the Presidency, whc was received by Miguel Ano Blanco, alternate member of the Politburo.

"Jorge Enrique Mendoza, Central Committee member, welcomed Renato (saurere), member of the National Secretariat of the Italian Communist Party.

"Otto (Poldolski), of the Austrian Communist Party, was received by Thelma Bornot Publillones, alternate member of the Central Committee.

"Armando Hart Davalos, Politburo member, met Milan Kucan, member of the Presidency of the League of Communists of Yugoslavia.

"Bernard Combo-Matsiona, member of the Politburo of the Congolese Labor Party, Simon Sanchez, member of the Executive Committee of the Spanish Communist Party, and (Fernando Blanqui), member of the Political Committee and Secretariat of the Portuguese Communist Party, were received by Jesus Montane Oropesa, alternate member of the Politburo.

"Volioa Teitelboim, member of the Political Committee of the Chilean Communist Party, has also arrived in Cuba and was received by Luis Orlando Dominguez, Central Committee member."

Brazil PCB Leader

PY031523 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Feb 86 p 4

[From the "Panel" column]

[Text] Giocondo Dias, general secretary of the Brazilian Communist Party, is visiting Cuba at the invitation of the Communist Party of Cuba.

Angolan Delegation

PA281650 Havana International Service in Spanish 1800 GMT 27 Jan 86

[Text] A delegation of Angola's MPLA-[Popular Movement for the Liberation of Angola]-Labor Party will leave for Havana on Friday to attend the Third PCC Congress that will begin on 4 February.

The Angolan delegation is headed by a MPLA-Labor Party Politburo member, Antonio dos Santios Franca Ndalu, chief of the general staff of the FAPLA [People's Armed Forces for The Liberation of Angola].

The Angolan delegation is made up of: Bornito de Sousa, chief of the FAPLA political division, and (Manuel Pedro Pacabida), Angolan ambassador to Cuba, both members of the MPLA Central Committee.

PLO Delegate

PA021930 Havana International Service in Spanish 1800 GMT 2 Feb 86

[Text] Several delegations arrived a few hours ago in Havana as guests to attend the Third PCC Congress, which begins Tuesday in Havana. These delegations include those from the Unified Party of Haitian Communists, the Communist and Socialist Parties of France, and political organizations from Venezuela, Norway, Denmark, Burkina Faso, Burundi, and Malta.

'Abd al-Rahim Ahmad, member of the PLO Executive Committee, has also arrived in Havana.

Iran's Tudeh Party

FL011415 Havana Radio Progreso Network in Spanish 1200 GMT 1 Feb 86

[Text] Several Cuban provinces are officially seeing off or preparing to see off the delegates to the third party congress while foreign delegations invited to the great event continue arriving in Havana.

Among the latest delegations arriving at Jose Marti's International Airport are the ones from the Communist Parties of Iraq and Israel and of Iran's Tudeh Party, headed by its Secretary General Mohammad (Habari).

Iraq Ba'th Party Delegation

JN020939 Baghdad INA in Arabic 0832 GMT 2 Feb 86

[Text] Baghdad, 2 Feb (INA) — Shibli al-'Aysami, assistant secretary general of the Arab Socialist Ba'th Party, left Baghdad today leading a party delegation to attend the Third Congress of the Communist Party of Cuba that begins Tuesday. The delegation comprises Na'im Haddad, member of the Ba'th Party National Command; and Sa'd Qasim Hammudi, director of the Foreign Relations Office at the National Command.

Guinea Bissau, DPRK Delegations

PA021928 Havana International Service in Spanish 1600 GMT 1 Feb 86

[Text] Delegations from various countries that will attend as guests the Third PCC Congress continue to arrive in Havana.

Joao Bernardo Vieira, secretary general of the African Party for the Independence of Guinea Bissau and president of that country, arrived today at the Jose Marti International Airport in Havana.

The vice president of the Democratic People's Republic of Korea, Pak Song-chol, arrived heading his country's delegation. (Olivio) Pires, member of the political commission and the secretariat of the African Party for the Independence of Cape Verde, also arrived.

Caribbean, Mideast Delegates

FL031526 Bridgetown CANA in English 1843 GMT 1 Feb 86

[Text] Havana, Feb 1, CANA -- Political activists from several Caribbean countries have begun arriving: Here to attend -- as guests -- the Third Congress of the Communist Party of Cuba, scheduled to begin Tuesday, the official PRENSA LATINA news agency said. Already in, the agency said, are representatives from Guyana's two main political bureau of the ruling People's National Congress (PNC) as well as Janet Jagan, executive secretary of the Marxist People's Progressive Party (PPP). Guests from St Lucia are John Odlum, chairman of the Progressive Labour Party, and Earl Bousquet, secretary general of the Worker's Revolutionary Movement, PRENSA LATINA said.

Other activists arriving include the head of the Dominica Labour Party (DLP) and parliamentary opposition leader Michael Douglas; the leader of the Liberation Movement, David Laville; Tim Hector, chairman of the Antigua-Caribbean Liberation Movement; Oscar Allen, general secretary of the Youlou United People's Movement of St Vincent; Blazer Williams of that island's National Unity Movement's Executive Board; Eugenio Bodefroid, secretary general of the Socialist Movement from Curacao, and Vincent Cabrera of the February 18 Movement's Central Committee of Trinidad and Tobago. Felicien Bourgoes and Roland Gemdrey, members of the Political Bureau of the Communist Party of Martinique and Guadeloupe, respectively, arrived earlier.

Representatives are in from other continents, including Nadim 'Abd al-Samad, under secretary general of the Lebanese Communist Party; Salah Salah of the Palestinian Liberation People's Front and Ghaji Mansour of the Central Committee of the Lebanese Socialist Party, PRENSA LATINA said.

More Caribbean Delegates, CPUSA Head

PA021929 Havana International Service in Spanish 1600 GMT 2 Feb 86

[Text] Representatives from various political organizations from Jamaica, Barbados, Grenada, and other countries arrived a few hours ago in Havana to attend as guests the Third PCC Congress which begins next Tuesday in Havana. Among the guests are Trevor Munroe, secretary general of the Workers Party of Jamaica; George Louison, vice president of the Maurice Bishop Patriotic Movement from Grenada; and George Belle, general secretary of the Workers Party of Barbados. Earlier, other delegations had arrived at the Jose Marti International Airport in Havana, including party leaders from Vietnam, the Democratic People's Republic of Korea, Angola, and Cape Verde. The national chairman of the Communist Party of the United States, Henry Winston, also arrived and said he was very happy to be able to again visit Cuba as a guest of the Third PCC Congress.

PCC CONGRESS TO OPPOSE RELIGIOUS DISCRIMINATION

PA031615 Madrid EFE in Spanish 2351 GMT 2 Feb 86

[By Juan Jesus Aznarez]

[Text] Havana, 2 Feb (EFE) -- The PCC will oppose religious discrimination at the third congress that will start Tuesday. However, it warned that it will not tolerate the use of religion to fight the revolution.

The draft platform already being studied by the 1,790 delegates who will attend the meeting indicates that "within the policy of people's unity being developed by the party, there cannot be any hint of discrimination against believers." "On the contrary, we must promote their voluntary and conscientious participation as citizens and patriots in building socialism," it adds.

The PCC maintains the principle of freedom of religion, which is the right to have a religious belief and practice this religion "within the law." The Cuban Communists state in their draft platform, which must be approved by a special assembly in December [as received], that they will make "systematic and patient" efforts to spread "the scientific materialistic concept of nature, society, and thinking" throughout the country. The document recognizes the same rights and duties for believers and non-believers, and defends scientific education as well as lay schools. It states that the authorities will pay attention to, "in accordance with the country's economic possibilities and the already established priorities, the material problems of church institutions that need the help of state organizations." When the PCC states that it will seek to spread a materialistic concept among the population, it adds that "this task does not involve hurting religious feelings or harming the moral integrity of believers."

The Cuban Communists also offer their support to Latin American religious sectors that are committed to the struggle "for changes in the obsolete economic and social structures."

Church officials have observed a rapprochement and detente in relations with the Cuban state. The first official contacts between the church and President Fidel Castro occurred last year. The Catholic Church has scheduled, for the first time, a national meeting on a date after the PCC Congress, basically in the second half of February.

Cuban bishopric sources also highlighted the appearance of the book "Fidel and Religion," with 600,000 copies issued on the island to great popular acceptance.

A possible visit to the island by Pope John Paul II, a trip that has not been officially confirmed, would be within this context.

GRANMA CONDEMNS U.S. MANEUVERS OFF HAITI

FL031937 Bridgetown CANA in English 1918 GMT 3 Feb 86

[Text] Havana, Feb 3, CANA-REUTER -- Cuba today condemned planned U.S. naval exercises in the Caribbean as a form of pressure on Haiti's opposition forces, aimed at browbeating them into a political settlement favourable to Washington's interests. This surprising Yankee manoeuvre is aimed at pressuring the Haitian opposition in such a way that the United States will gain political control of any eventual solution to the country's present crisis, the communist party daily GRANMA, said in a front-page article. The Pentagon has said the manoeuvres, involving an aircraft carrier and 32 other warships, will take place for 20 days from next Thursday.

Havana has so far refrained from direct comment on the current unrest in Haiti against the rule of President Jean-Claude Duvalier, although President Fidel Castro last Friday predicted his overthrow in a matter of days. The official media here has taken the line that Washington wants to dump its erstwhile ally, who has become politically untenable, while ensuring that any new government in the poverty-stricken country will be complaint to its interests.

Despite close historical links between Cuba and Haiti, which are 40 miles (64 km) apart, the Communist government in Havana appears to be keeping its distance from events in the French-speaking republic, where at least 70 people have been killed in anti-government violence over the past few days. During the 19th century there was a steady stream of Haitian immigrants to eastern Cuba and, in more recent times, Cuba has offered refuge to opposition leaders persecuted by Duvalier and his late father, Francois Duvalier, who have ruled Haiti since 1957.

However, the Cuban media have given no hint that the government supports any particular faction of the Haitian opposition and its reports on Haiti have emphasized the role of the Catholic Church as a catalyst for the rebellion.

COMMENTARY VIEWS DUVALIER'S IMMINENT COLLAPSE

FL011348 Havana Radio Progreso Network in Spanish 1200 GMT 1 Feb 86

[Station commentary]

[Text] The struggle of the Haitian people has created a crisis for Jean-Claude Duvalier's tyrannic regime. This is a serious blow to U.S. imperialist policy in Latin America and the Caribbean. Haiti's situation made Wahington prematurely announce the dictator's fall when White House spokesman Larry Speakes said "Baby Doc" had fled the Caribbean island. Shortly after, the State Department denied the White House's version. It is evident that the facts prove that the Duvalier tyranny is about to collapse.

It is no secret that power in Haiti has been directed from Washington for decades. To be more precise, it is in the hands of the U.S. Ambassador in Port-au-Prince. Everything seems to show that the U.S. Government has decided to sacrifice its proteges before the growth of the people's struggle threatens U.S. interests in the poorest country of the continent.

From this, it is logical to infer that Washington's true aim is to put an end to the struggle and place new forces in power which would serve the interests of U.S. firms as zealously as the Duvalier family has done. Over 150 U.S. companies have interests in Haiti and benefit greatly by the incredibly cheap Haitian labor. It is enough to say that a highly skilled Haitian laborer maked a maximum of $3.00 per day and, while the per capital income is $66.00 annually, the dictator's wife (Michelle Bennet) spent $1.7 million in Christmas gifts. Many are certain that Duvalier's fall in unavoidable and the symptoms are fatal for "Baby Doc's" regime.

The U.S. Government is about to withdraw its support, the IMF denied a $12 million loan, private banks are leaving the Caribbean island, and the Reagan administration is unwilling to give the $7 million it had promised for the 1986 fiscal year. All "Baby Doc's" regime needs is to hear a prayer for the dead because for all practical purposes it does not exist anymore -- it is evaporating.

ECONOMY'S GAINS, SHORTFALLS, 1986 PLANS VIEWED

FL031637 Bridgetown CANA in English 1941 GMT 2 Feb 86

[Text] Havana, Feb 2, CANA-ALASEI -- Analysis of the Cuban budget and economic projections for this year seems to indicate a push in industrial development and in the productive sector. The productive sector is getting 32.9 per cent of the budget -- close to four billion pesos. Cuban economic planners expect employment generation in 1986 should increase between 2.5 and three per cent. As a result, it is hoped that total production will climb by 60 per cent. The government is banking on greater efficiency on the job, in which new technology is billed to play a part, better use of the work-day and greater output.

In 1985, the overall domestic product, the gross national product minus services, increased by 4.8 per cent. This year, the planners forecast a lower figure -- between three and 3.5 per cent. Some analysts blame the slow-down on four factors, including a fall in the prices of sugar and fuel, which last year produced a revenue loss of one hundred million dollars and which this year, based on current trends, could be higher.

They speak too of serious damage caused, last November , to the economy by Hurricane Kate, regarded as the worst natural disaster in Cuba's history; reduced capability to purchase new technology on the part of Western countries, where Cuba does less than 15 per cent of her external trade and, as a consequence, a fall-off in revenue based on new investments when a high level is reached in this field. The fall in the price of oil affects Cuba's foreign exchange position because the country, which imports almost 90 per cent of its energy needs from the Soviet Union, re-exports what it manages to conserve. Cuba has decided to place special emphasis in three areas: productivity, including additional incentives; a higher level of technological education; and an acceleration of scientific and technical development, including biotechnology and micro-computerisation.

Government officials believed that a literate country, with a vast majority of its workers having a minimum of nine years education, with university faculties in all its provinces, and research centres in many disciplines, is ideally placed to raise the standard of education in such a way that it is reflected in the working environment. That chage in focus is seen in the fact that the budget allocation for welfare was raised this year 6.1 per cent in relation to 1985, facilitating 46,000 new retirement pensions in the public service, and 6,000 to co-operatives, in addition to constructing new old people's homes.

The incentive to better output seems to be reflected in the fact that the basic salary is increased this year between four and 4.5 per cent. On the other hand, the mid-scale will only increase between one and 1.5 per cent. At the same time, personal consumption should increase between 2.5 and 3 per cent, the planners forecast.

Another 34,000 houses will be completed, and this year there will be, according to official figures, 12 per cent more doctors than in 1985 and three thousand new beds in medical centres. In this scheme of socio-economic development forecast for this year, a certain fact made headline reading in the daily GRANMA in January: the yield of sugar per ton of cane fell significantly. According to last month's sampling, results are far below expectations, and remain far from what was obtained in the corresponding period in 1985. Sugar continues to be the major source of foreign exchange for Cuba.

HAITI

DUVALIER TOURS CAPITAL IN SHOW OF POWER

FL031950 Bridgetown CANA in English 1911 GMT 3 Feb 86

[By Gilles Trequesser]

[Text] Port-au-Prince, Feb 3 CANA-REUTER -- President Jean-Claude Duvalier briefly toured Haiti's capital today in an apparent effort to show that he still had a grip over this nation torn by anti-government protests, witnesses said. But most shops in Port-au-Prince were closed as residents refused to heed a government call to resume economic activities under the three-day-old state of siege.

With his wife Michele at the wheel of the presidential Landrover, a stern-faced Duvalier made three stops near the market area to distribute soup to slum dwellers.

Anti-government protests, a novelty in Haiti, erupted last week, threatening nearly three decades of rule by the Duvalier family.

Hospital sources said at least 50 people died during disorders at the weekend in Port-au-Prince and 20 more deaths have been reported in the provinces. No official toll has been released. Today, Trade and Industry Minister Robert Thomas urged Haitians to do business as usual and promised military protection. But an extended tour of the pot-holed streets of downtown Port-au-Prince showed most shop owners prefered not to work. Busy streets were crammed with vehicles giving the illusion of normal activity, but commercial life was at a virtual standstill.

Troops, seen at almost every street corner, seemed relaxed and the sinister Tontons Macoute militiamen mixed with the crowd. Armed guards in sentry boxes in front of the white-painted presidential palace also appeared relaxed. No troops were visible in the vicinity.

Communications with outlying towns were erratic but several anti-Duvalier demonstrations were reported yesterday in the town of St Marc, 50 miles (80 km) north of here.

Foreign journalists were effectively prevented from leaving the capital. The Information Ministry only advised them not to travel to the provinces for their own safety, but military roadblocks round the capital made it practically impossible anyway. Two American television crews were detained for six hours yesterday by the military at a roadblock south of the capital. They were released after intervention by the U.S. Embassy.

No Elections Planned

LD040911 Paris International Service in French 0800 GMT 4 Feb 86

[Excerpt] Haitian President Jean-Claude Duvalier has no intention of leaving power. He said this again yesterday, stressing that there was no question of considering democratic elections in the country. This was his reply to the calls made by U.S. Secretary of State George Shultz. In Port-au-Prince the Army is present everywhere; calm seems to have been restored.

DEMONSTRATIONS, VIOLENCE CONTINUE; STRIKES URGED

2 February Wrap-up

PA030348 Paris AFP in Spanish 0232 GMT 3 Feb 86

[Text] Port-au-Prince, 2 Feb (AFP) -- Several thousand Haitians demonstrated today in Lestere, 128 km north of Port-au-Prince, and in Saint Marc, 98 km from the capital, against the regime of President Jean-Claude Duvalier, despite the state of siege decreed since Friday throughout the country.

The Army opened fire 1 February on the demonstrators in Petit Goave, 60 km southwest of Port-au-Prince, killing 3 and wounding 10, it was learned today from a reliable source.

Early yesterday morning a person was shot to death in this capital by the Tontons Macoutes, an eyewitness reported.

The unofficial figures are 46 dead and 123 wounded, as a result of the tense situation that has prevailed since 28 November 1985.

Reports received in the capital say that many persons were arrested today, Sunday, in Gonaives, 152 km northwest of Port-au-Prince.

A truck carrying civilians guarded by soldiers was seen leaving the capital's main police station this morning. When asked by AFP, the police said that they were beggars and criminals and not demonstrators.

The day was calm in Cap Haitien, the second most important city in the country, located 260 km north of the capital, where a daytime curfew, from 0700 to 1300, was in effect today. At the end of the day, Commerce Minister Ramond Thomas and Colonel Gregoire Figaro, Port-au-Prince police chief, asked the storeowners in the capital to open their stores tomorrow, Monday, guaranteeing them absolute protection. They both asked for cooperation to identify the looters during last Friday's demonstrations in Port-au-Prince.

Port-Au-Prince Situation

FL031402 Bridgetown CANA in English 1336 GMT 3 Feb 86

[By Gilles Trequesser]

[Excerpt] Port-au-Prince, Feb 3, CANA-REUTER — Gunfire echoad through the deserted streets of the Haitian capital every few minutes last night and doctors and opposition sources reported that at least 70 people have died in a week of anti-government violence.

Beleaguered President Jean-Claude Duvalier, who has not been seen in public for nearly a week, said in a television message on Friday he would soon present a new plan to improve living conditions in this impoverished Caribbean nation ruled by the Duvalier dynasty since 1967.

The trouble in Port-au-Prince began on Friday after Duvalier imposed a state of seige. It was the first time any major anti-government protest or violence had occurred in the capital. Doctors at the state university hospital said at least 50 people had been killed and more than 100 injured during disorder in central Port-au-Prince on Friday.

Residents said the normally bustling capital was quieter than usual yesterday, but pre-carnival celebrations, with youths chanting and dancing in the muddy streets of Saline brought an unexpected air of festivity.

An estimated 20 deaths in the past week, plus scattered demonstrations and violence yesterday, were reported in several provincial towns by opposition sources.

In Port-au-Prince, where the 30-day state of siege was in force, single rounds or submachine guns bursts rang out every five or 10 minutes for the third consecutive night in the slum area of the capital.

In the small town of St Marc, 90 kilometres (60 miles) north of here, a crowd of at least 200 people ran through the streets carrying a coffin with the inscription Jean-Claude, this is for you, American news photographer Paul Gero said.

Other journalists had their movements restricted. A Canadian television crew ran into one of several military roadblocks set up around Port-au-Prince on their way to Gonaives and had to head back to the capital. An Information Ministry spokesman told foreign reporters provincial military authorities were extremely busy and could not guarantee their security. He suggested they not leave the capital.

Travellers have reported countless roadblocks between towns, manned by villagers sympathizing with the revolt and often demanding money before letting people pass.

Work Stoppage Held

PA032350 Madrid EFE in Spanish 2327 GMT 3 Feb 86

[Text] Port-au-Prince, 3 Feb (EFE) -- EFE confirmed today that 86 percent of the business establishments, 50 percent of the industries, and 100 percent of the schools were closed in Port-au-Prince today. This is the largest peaceful demonstration against Duvalier's regime.

Of the 100 factories visited by EFE today, 50 were closed, 21 were open, and in 29 the doors were open but there was no industrial activity underway. Of the 500 business establishments observed, principally in the downtown part of the capital, 86 percent were closed, 4 percent were open, and 10 percent were open but without clients. Of the 100 schools, kindergartens, and professional training centers in the downtown area and outskirts of Port-au-Prince, none were open.

This report was confirmed between 1400 and 1500 in the afternoon, hours when industries, businesses, and schools are normally open.

CANA Reporter's Analysis

FL031702 Bridgetown CANA in English 1359 GMT 3 Feb 86

[By Phil Davison]

[Text] Port-au-Prince, Haiti, Feb 3, CANA-REUTER -- The revolt against 28 years of Duvalier family rule has spread like a forest fire across this backward Caribbean nation, leaving President-for-Life Jean-Claude Duvalier beleaguered and more than 70 dead. But the question of who is behind the revolt in the former French colony of Haiti, where real opposition to Duvalier rule has always been prohibited and often ruthlessly put down, remains largely unanswered. The momentum which the anti-Duvalier movement gained as demonstrators took to the streets of provincial towns last week has baffled foreign diplomats and appeared to surprise even the protesters themselves. Those disturbances left at least 20 people dead and hundreds injured.

The capital has not seen a public anti-Duvalier protest, although more than 50 people were killed here and hundreds wounded in the past two days of tension, looting, cold-blooded midnight killings and stray gunfire. The violence followed Duvalier's imposition of a state of siege on Friday, an apparent attempt to prevent the provincial protests from spreading to Port-au-Prince.

In the capital, a city of immigrants suspicious of their neighbours, not a single shout of the ubiquitous slogan of the provincial uprising -- Down with Duvalier -- has been heard. Nevertheless, numerous Haitians interviewed in Port-au-Prince said they supported the anti-government movement afoot in the provinces.

Foreign reporters who witnessed demonstrations in the towns of Cap Haitien, Gonaives, Les Cayes, Jeremie and Petit said that unemployed youths and students generally appeared to initiate the protests, taking to the streets and shouting Down with Duvalier in full view of troops, but the swelling crowds of protestors were joined later by more aggressive youths who appeared less educated and whose slogans and actions were tougher than the rest.

We are fed up with living like animals, while Duvalier drives around in luxury sports cars and his wife collects fur coats with the country's money, an unemployed youth whispered to a foreign reporter on a back street of Cap Haitien. He said he had no political affiliations. His priority was the overthrow of Duvalier and the introduction of democracy. Minutes earlier the youth had claimed in front of other demonstrators to be a leader of this movement. What has come to be known as the youth revolt has no detectable political leanings, but it is anti-Duvalier and wants to promote a better standard of living in a country where the majority of the population lives in abject poverty. Opinions are divided over whether the young rebels act individually and spontaneously in each provincial town or are part of an organized nationwide network. If the latter is the case, they could be following a specific plan and timetable under which they plan to topple Duvalier within a short period of time, foreign diplomats say.

February 9-12 is Mardi Gras, or carnival, in Haiti, a time of celebration for the impoverished majority. Anti-Duvalier protestors have urged that Haitians sacrifice their traditional celebration and hold a general strike from February 12-20, which they say will effectively end Duvalier's rule. If he not actually overthrown by then, he will remain president only of his palace, their unsigned statement said.

The Roman Catholic Church has backed the movement through its radio stations and by providing refuge to the protestors. In the pulpit as well, priests have been giving increasingly politicized sermons reflecting their anti-government leanings. Many Haitians in this overwhelmingly Catholic country say the real spark for the anti-Duvalier movement was a visit in March 1983 by Pope John Paul, who pointedly told Haitians in their own Creole dialect: Have courage, have faith, you can count on me. The protesters in Cap Haitien began their demonstration on the steps of the cathedral and retreated inside, preventing troops from being able to attack.

Many diplomats believe the vast majority of Haitians oppose Duvalier's rule but, in a country where peaceful opposition has been systematically suppressed, the question of how they can overthrow the government without arms remains. The provincial demonstrators showed no signs of having, or wanting, weapons.

They said they were opposed to violence, and appeared reluctant even to throw stones at troops. Most said they hoped to gradually win the troops over to their side. Their anger was directed more against the blue-shirted Tontons Macoutes militia, set up by the president's father, Francois Papa Doc Duvalier.

A few college students, however, said they believed some of the protestors were gathering guns in case they would be needed to oust Jean-Claude Baby Doc Duvalier, who succeeded his father as president-for-life in 1971.

Run on Banks

PA032201 Madrid EFE in Spanish 2137 GMT 3 Feb 86

[Excerpt] Port-au-Prince (Haiti), 3 Feb (EFE) -- Hundreds of persons were forming long lines at the doors of the 10 most important banks in Port-au-Prince to withdraw their savings. The banks, which opened an hour later than usual today, were heavily guarded by soldiers and policemen who maintained order among the impatient clients.

By mid-day there were two banks that were practically closed, the Scotia Bank and the Bank of the Haitian Union, which only permitted persons to enter one by one, despite the long lines.

In other banks the people were forming lines in front of tellers' windows as in the Bank of the Republic of Haiti, the most popular on the island, and Citibank, where the people waited patiently to do their banking.

Other organizations, such as the Haitian Popular Bank, the National Credit Bank, and the Bank of Paris reported normal activities.

CTK INTERVIEWS COMMUNIST PARTY LEADER

LD011824 Prague CTK in English 1651 GMT 1 Feb 86

[Text] Paris, Feb 1 (CTK correspondent) -- Friday's report on Duvalier's departure from Haiti proceeded from a plan prepared by the USA which envisaged the dictator's resignation and the installation of a military-civilian junta to represent a sort of provisional government, General Secretary of the United Party of Haitian Communists (PUCH) Rene Theodore said in an interview to CTK here today.

He went on to say that concern arose within the ranks of Duvalier's followers that a continuity of policy and their power positions are not sufficiently secured. These circles thus felt themselves jeopardized. Tension prevailed between these people, too much compromised by the present regime to be included in a new government, and persons close to the U.S. Embassy who were to carry out the necessary changes and at the same time protect U.S. interests. This situation in the reactionary camp frustrated Washington's plan, and was the second similar fruitless attempt of the USA in the past two weeks to form a junta that would make a "coup" and would consist of high-ranking officers, nearly all of them CIA agents. Their names became known early enough for preventing a catastrophe. To save himself, Duvalier had to suspend them from the Army and depose others from commanding posts.

Rene Theodore said that in both cases, persons who were to replace the present regime did not live up to the expectations and demands of the people; on the contrary, they manifested the U.S. effort to protect its interests and divert popular opposition from its path.

Asked about the opposition movement, Rene Theodore said it was born in rural areas and only later became established in the capital. At present fierce clashes take place between the inhabitants and security forces in Port-au-Prince in response to the government's decision to declare a state of siege. The people ignore it and fight in the streets.

Rene Theodore said the Army is strongly divided. The rank and file are influenced and neutralized by the popular movement, and the commanders do not dare issue orders for reprisals. Leaflets are circulated, indicating the soldiers' willingness to join the democratization process.

The United Party of Haitian Communists [PUCH] believes that prerequisites exist for the popular movement to use its resources to build democratic institutions. A problem of a sort of dual power may arise in the future, on one side forces arising from the popular movement irrespective of any decision of the bourgeoisie and U.S. imperialism, and on the other side the social stratum linked with the present regime and experienced in running the state. "A similar situation arose in many revolutions. If this pattern comes true, and I think it will, it is necessary to see that dual power never holds out long, said Rene Theodore. [quotation mark as received]

The Haitian party leader recalled that committees, popular leaders and also political parties, including the Communists, have been influencing the masses for a long time. He said his party is represented in this struggle to a sufficient extent that the minimal program of economic and social reconstruction and a proposal for the political organization of the society it presented can be taken into consideration. The existence of the party and other underground organizations significantly contributed to the rise of the popular movement. Almost all sections of society recognize the Communists' role in the political experiences so far and also in the perspective of political and social democratization.

The PUCH is the only party which managed since 1957 to fight persistently against the tyranny and under extremely unfavourable conditions succeeded to keep its organization structure within the country. The party's history is both glorious and tragic, marked with murders of hundreds of Communists. Its struggle gave rise to sympathies and respect among the population. The party played an irreplaceable part and in the process of democratization will assume its place. However, the number one task at present is to defeat Duvalier, create a general feeling of hatred and refusal, said Rene Theodore.

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POLITICAL PARTIES INVITED TO NICARAGUAN MEETING

PY041733 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1200 GMT 1 Feb 86

[Text] Buenos Aires, 1 Feb (NA) -- Leaders of the main Argentine political parties have been especially invited by the Nicaraguan Sandinist front to attend the conference of Latin American and Caribbean political parties during which there will be an exchange of ideas about the present situation in Central America and the threat of invasion of Nicaragua. The conference will be held in Managua from 10-12 February. It will gather 112 delegates from 96 Latin American political parties. No Latin American guerrilla-like group will be represented. The conference will strive to strengthen the concepts of "nonintervention and peace in Central America."

An invitation extended to the Justicialist Party was specifically sent to the leader of the Buenos Aires renewal front, Antonio Cafiero, and not the official hierarchy of the Justicialist Party. In view of reports regarding the attendance of Peronist representatives at the meeting, the National Justicialist Council that is chaired by Senator Vicente Saadi noted that "it has not appointed any representative and that it has not received any invitation to attend the meeting in question."

Although there have been no official statements, it has been learned that political leaders from the following parties have been invited to the conference: the Radical Civic Union [UCR], the Intransigent Party, the Communist Party, the Movement Toward Socialism [MAS], the Workers Party, the Christian Democracy Party [PDC] and Unified Socialism, which is a member of the Authentic Socialism. During the meeting of political parties, the Sandinist front, which is hosting the conference, will give the representatives of the different political parties detailed information about the conflict that Nicaragua is experiencing and the real possibilities of U.S. aggression.

The Sandinist front has taken particular care in omitting any Latin American group linked to guerrilla activities from the conference and instead has invited political groups that represent the three trends of international socialism. It has been reported that in keeping with the criteria established by the Sandinist front, the following groups have been invited and have confirmed their attendance: the Democratic Revolutionary Front [FDR] from El Salvador, the Tupamaros group in Uruguay, and the FARC [Revolutionary Armed Forces of Colombia].

TEACHERS JOIN OPPOSITION COALITION, UNITY SOUGHT

PY041838 Madrid EFE in Spanish 2135 GMT 2 Feb 86

[By Santiago Deiz]

[Text] Santiago, 2 Feb (EFE) -- Dr Juan Luis Gonzalez, president of the Federation of Chilean Professionals [Federacion de Colegios Profesionales Universitarios de Chile], today stated that the federation he heads will make 1986 "the year of unity." Gonzalez is one of the most representative figures of the group which opposes the military regime of General Augusto Pinochet. Dr Gonzalez, who is also president of the influential Chilean Medical Association, has expressed satisfaction over the Chilean Teachers Association's decision to join the federation. The teachers association has more than 80,000 members.

The teachers association is the 25th association to join the federation that groups the most important associations of Chilean professionals. Asked about the federation's program for 1986, Gonzalez stated that "it can be summarized in a single word: unity." In his role as president of the Chilean doctors, who on 30 January staged a 24-hour national strike, Dr Gonzalez said that "our mobilization will continue in a stronger, more intense, and extended manner."

Gonzalez outlined the objectives of the union struggle undertaken by the doctors, stating that what is worrying them now is "the reinstatement of Dr Ricardo Vacarezza, president of the Santiago regional zone, fired from his state post as part of the government persecution." Gonzalez added: "We are concerned about the right to health of all Chileans, the abolishment of the law on health, which we consider a serious blow to national health and a radical change of the financial policy in the health sector."

Regarding the strike staged on 30 January, the chairman of the doctors association stated that there was "between 85 to 100 percent absenteeism at Santiago and provincial hospitals." Moreover, Dr Max Montero, regional secretary of the Health Ministry, admitted the day after the strike that there was an 80 percent absentee rate among doctors, although his immediate superior, Health Minister Winston Chinchon stated that those figures "had been misinterpreted."

In an interview granted today to the newspaper EL MERCURIO, Dr Montero warns that the doctors' strike includes "a little bit of everything, including a policy of opposition, and the fact that many feel frustrated in their aspirations because the hospitals do not fully meet their demands." After announcing that the government will not take measures against those doctors who joined the strike, Dr Montero admitted that "there could have been bad administration in some hospitals, because we cannot say that we do not have some responsibility."

Asked whether the military government had considered the importance of the doctors' association and its opposition to the government, taking into account the fact that the doctors also opposed Salvador Allende's government, Dr Montero stated that there is no doubt that "the fall of Allende's government was promoted through the doctors strikes." Montero concluded by saying that 'for this reason the government is carefully studying the situation and is considering its significance."

MAPU, CHRISTIAN LEFT JOIN SOCIALIST OPPOSITION

PY042159 Santiago Radio Chilena in Spanish 1600 GMT 4 Feb 86

[Text] The United Popular Action Movement, MAPU, and the Christian Left have agreed to carry out a policy of joint cooperation because they share the same viewpoint regarding the national situation, a similar strategy of struggle against the military regime, and finally a similar aspiration to establish a vast socialist force in the country. This was stated this morning by top-ranking leaders of the two parties, Luis Maira and Victor Varrueto, who were accompanied by other party leaders.

In a joint declaration the Christian Left and MAPU expressed that their objective is to try to end the present regime by using a vast mobilization that will make the country ungovernable by the Pinochet regime. Leader Jaime Cataldo noted that this way excludes both negotiation [with the regime] and the militarization of the struggle.

[Begin Cataldo recording] This strategy excludes as a means to achieve democracy both the holding of negotiations with the Pinochet dictatorship and the militarization of the struggle against the regime. It will be the decisive, sustained, and ample action of national majorities that will be the decisive element in charging the president situation. As a result of the mobilization of the masses, the Armed Forces will be compelled to seek an agreement with civilian, political, and social forces and thus fully accept the principle of the sovereignty of the people, which is expressed through free and democratic means. [end recording]

The declaration adds that the Christian Left and MAPU support the National Accord and that they particularly praise the measures included in the Accord. They add that they also praise the proposals made by the Democratic Intransigence Movement, of which they are members, and support the Chile Declaration [Pliego de Chile] that has been promoted by the National Workers Commando [CNT]. The two parties also express that they are committed to the task of establishing a great socialist force in Chile.

[Begin unidentified speaker recording] The MAPU and the Christian Left hereby recognize themselves as members of the Chilean Socialist movement. The two parties express their decisive will to actively participate in efforts aimed at achieving an agreement of those forces that make up Chilean socialism. In this regard, they assume the commitment to jointly promote those processes, proposals, and initiatives that are necessary to achieve this objective. This socialist agreement will contain those elements needed to make a socialist proposal to the country. We hope that Chilean socialism will definitely resume its relevant decisionmaking role in national affairs. [end recording]

MAPU and the Christian Left commit themselves to promoting the political agreement of all opposition members toward a common plan aimed at achieving a democratic transition.

SOCIAL DEMOCRACY LEADER REAFFIRMS NATIONAL ACCORD

PY040248 Santiago Radio Chilena in Spanish 2200 GMT 3 Feb 86

[Text] The text of the "Political Reflection" prepared by the coordinators of the "National Accord for the Transition to Full Democracy" explains the points the authorities have refused to consider. This remark was made by the president of Social Democracy, Rene Abeliuk, as he commented on this new document, which was delivered [as heard] on 31 January. The text prepared by the coordinators of the National Accord explains the position of the 11 signatories regarding the 1980 Constitution, the Communist Party, private property, and the reconciliation efforts. The document asks the government, the Armed Forces, and all civilian sectors to set the attitude of intransigence aside in favor of the nation's pacification. Rene Abeliuk, president of Social Democracy, stressed the principal merit of the document is to end rumors that the National Accord has gone into hibernation.

[Begin Abeliuk recording] The first merit is to put an end to the rumors that the National Accord has ended, has died, has disappeared, which is what some people want. What is obvious is that the National Accord is an instrument offering a peaceful, mutually agreed, and negotiated way out of our predicament. This is its purpose. In addition, it is a document that ensures the stability of the democratic government that will succeed the current dictatorship. Disregarding political reality, General Pinochet personally has rejected the National Accord and its offer for a mutually agreed, negotiated, and peaceful way out. Obviously, the National Accord cannot operate politically at this time because political play calls for negotiation and agreement. This, however, does not mean that the National Accord has disappeared, is dead, or has lost importance and significance.

Quite the contrary, the National Accord still offers the only reasonable way out for this country. The unreasonable way out is that being offered by General Pinochet, who is trying to impose his project -- with his reelection in 1989 and later -- a system of war against Marxism and repression of all those who dissent against authoritarianism. [end recording]

Abeliuk stressed that Chile has chosen the National Accord as an instrument of transition and that it only remains for the Armed Forces to adhere to this worthy initiative.

[Begin Abeliuk recording] The reasons the government has advanced to reject the National Accord are merely pretexts. Because, when the government says that the 1980 Constitution must first be accepted, it is acting like someone who in a suit wants a favorable verdict before entering negotiations. I don't know what will be left to be negotiated once the verdict has been given. But he can use any other pretext to reject the proposal to negotiate the modification of the Constitution. Marxism is another of Pinochet's pretexts. The irrational anti-Marxism that the government preaches obviously will never be accepted by the opposition. We have said in the National Accord that we support a system proscribing all totalitarian forces, all those that once democracy is restored will not work for democracy and will follow other objectives and act in other ways.

But we naturally will not accept this proscription that the government wants to impose on a political force from the beginning. [end recording]

The president of Social Democracy concluded by saying that considering the current political circumstances, explanations became indispensable to drive away the doubts about the views inspiring the signatories of the National Accord.

NEW CENTER-RIGHT OPPOSITION GROUP FORMED

PY041545 Madrid EFE in Spanish 0235 GMT 1 Feb 86

[Text] Santiago, 31 Jan (EFE) -- A new political organization appeared today under the name of "Democratic Accord Front" [Frente Democratico de Concordia -- FEDECO]. It claims that one of its main objectives will be to call for a plebiscite to resolve the 1989 presidential succession issue. The new coalition, created by initiative of the rightist Radical Democratic Party with the participation of eight [as received] other parties and movements, reported today that it will ask the Chilean military government to conduct "an active study of the political constitutional laws." In addition to the Radical Democratic Party and the Radical Civic Union, the following parties participated in the creation of this center-right coalition: the Christian Social Party, the Javiera Carrera Movement, the National Democratic Party, the Democratic Socialist Party, the Arturo Matte Civic Center, and the Social Democratic Workers Movement.

Upon announcing the creation of the new coalition, Radical Democratic Party Secretary Rafael Otero stated that one of its main objectives will be to coordinate the work "to pave the road for a peaceful transition toward a stable and lasting democracy." Another objective announced by the signatories of FEDECO is their desire that the government conduct a thorough study of the statute regarding political parties. Among the first actions of the FEDECO we can list the request submitted to Interior Minister Ricardo Garcia for a meeting. The occasion will be used to present him with the first declaration on the creation of the coalition.

CLUSTER BOMBS SHIPPED TO UNKNOWN DESTINATION

PY032336 Madrid EFE in Spanish 2215 GMT 3 Feb 86

[Text] Santiago, 3 Feb (EFE) -- A shipment of cluster bombs produced by Cardoen Industries, one of whose plants blew up 10 days ago killing 29 persons, departed from a northern Chilean port today for an unknown destination. According to the workers who loaded the shipment, this is the last batch of cluster bombs manufactured at the Cardoen factory in Iquique, 1,800 km north of Santiago, before the explosion that occurred at the factory on 25 January killing 25 [figure as received] employees of the plant. The shipment is being carried by the "Elsebeth Vesta," flying the Danish flag. It departed for the Panama Canal, its final destination unknown. Cardoen Industries became known internationally last year when it was discovered that it was manufacturing cluster bombs that were being purchased by Iraq for use in its war with Iran. Witnesses of today's shipment indicated that the freight was loaded into several orange and yellow containers marked with the code number C-3.

BETANCUR RETURNS FROM MEETING WITH SARNEY

PA310346 Paris AFP in Spanish 0208 GMT 31 Jan 86

[Text] Bogota, 30 Jan (AFP) -- Colombian President Belisario Betancur returned tonight to Bogota following today's meeting in Manaus with Brazilian President Jose Sarney. The Colombian chief of state expressed his satisfaction with the results of the meeting, during which the two presidents discussed coffee, the Latin American foreign debt, drug trafficking, and the border situation. The mixed commission examined other areas such as mutual economic scientific, and cultural cooperation.

Betancur, who will end his term in office in August, said that he invited President Sarney to visit Colombia before his term concludes. President Betancur also said that in early February 4,000 or 5,000 members of the reserves will be recalled for active duty for 4 or 5 months to guard and fully guarantee the development of the legislative elections to be held in March and the presidential elections to be held in May.

MINISTER SAYS DOLLARS NOT LOANED TO NICARAGUA

PA021459 Bogota Television Service in Spanish 0000 GMT 1 Jan 86

[Excerpt] Finance Minister Hugo Palacios Mejia today clearly explained the following: Colombia has not loaned dollars to Nicaragua. However, by an agreement signed in 1977, it placed some surplus from commercial transactions in Managua's central bank. There is currently a $20-million balance in favor of Colombia in that account. In addition, he said that it has never loaned any money to Bolivia, and Argentina did not use $50 million from the Banco de la Republica's reserves deposited in banks of that nation. In sum, no credits have been granted to any Latin American countries. However, to obtain certain yields, Banco de la Republica reserves have been deposited in the central banks of certain neighboring countries.

VEGA CONFIRMS FORMATION OF 'AMERICA BATTALION'

PA312239 Bogota EL TIEMPO in Spanish 28 Jan 86 p 3

[Article by Celmira Figueroa]

[Text] Barranquilla, 27 Jan -- Defense Minister General Miguel Vega Uribe warned today of the danger of foreign mercenaries in the country in what he called "an international program of subversion."

He confirmed the existence of subversive communiques that reported the forming of the so-called "America Battalion," which allegedly is made up of guerrilla from Peru, Ecuador, and the United States. "It is sad that we should be presently exposed to an international program of subversion," added Vega Uribe, who said that the latest official version on the number of dead among the military and the guerrillas is the same as that of 2 days ago.

"Regrettably, there are violent people who want to continue using arms to seek objectives contrary to the democratic sentiments of the country. The Armed Forces and the police have the constitutional obligation to control and maintain order and tranquillity because, stated Vega Uribe, arms or violence should not be allowed to change the system that all Colombians have chosen democratically."

GUERRILLA GROUP CLAIMS COLOMBIAN INFILTRATION

PA012306 Paris AFP in Spanish 2209 GMT 31 Jan 86

[Text] Quito, 31 Jan (AFP) -- The Ecuadoran subversive group "Alfaro Lives" said in documents sent to AFP in Quito today that it was infiltrated by a Colombian agent who thwarted the kidnapping of a businessman. The documents add that the "Luis Vargas Torres" section of "Alfaro Lives" has been organized and is fighting in that neighboring country in the "America Battalion" along with guerrillas from other Latin American movements.

The group sent AFP a document sent by the "Alfaro Lives" leadership to its members who are in jails and a recording of a clandestine press conference held yesterday with reporters from certain local morning newspapers. However, the papers did not publish the information today.

The document, signed by the top leaders of the organization, headed by Arturo Jarrin and Hamet Vasconez -- for whom the government has offered a reward equivalent to some $50.00 [as received] each -- states that the Alfarist practice of trusting men "made this infiltration possible."

The document adds that because of this, in December, 1985, the kidnapping of the businessman Antonio Granda Garces was prevented. On that occasion, Granda Garces defended himself and wounded one of the kidnappers, for which he was given an official decoration.

According to "Alfaro Lives" the attack was reported ahead of time and "an operation had been prepared" to wait for the kidnappers, for whom it "would have been very easy to kill Mr Granda, but that is not our style. We struggle for life."

The document also states that the killing of Fausto Basantes Borja, deputy commander of the group, in a shootout with the police, "is also the result of the infiltration."

"The same Colombian who killed our 19 April Movement [M-19] brothers (Alberto and Federico) using the attempt to escape law directed the operation to capture Fausto," the document adds.

"Alfaro Lives" is referring here to the two M-19 guerrillas who participated in the kidnapping of the businessman Nahim Isaias. According to the official report, the kidnapping ended with the death of Isaias and his kidnappers and the arrest of several people involved in the case. The two M-19 guerrillas were killed by the police when their companeros tried to rescue them, as they were being transferred to another prison.

The subversive group also stated that "at this time, the Luis Vargas Torres platoon of our organization has joined the America Battalion, which is fighting and rewriting the heroic pages of Bolivarianism in this dark hour of the American continent."

Reports received from Bogota in the past few weeks have said that this battalion is being organized in southeastern Colombia, with guerrillas from Colombia, Ecuador, Panama, Peru, and Venezuela.

Finally, "Alfaro Lives" said that by President Leon Febres Cordero's actions, the country "has been auctioned off to the international banking sector and the U.S. empire," that the political situation "is even gloomier," and that "Ecuadoreans are experiencing a spiralling process of impoverishment and subjugation."

MONETARY BOARD APPROVES NEW EXCHANGE RATE, TARIFF

PA290337 Quito Radio Quito in Spanish 2300 GMT 28 Jan 86

[Text] During today's session, the Monetary Board unanimously approved [words indistinct] the modification of the exchange system, new prices for agricultural export products, and a new tariff. Regarding the modification of the country's exchange system, economist Alberto Jesus, the new president of the Monetary Board, announced that the exchange rate has been fixed by the Central Bank at 108.50 sucres for buying and 110 sucres for selling. This entails a new currency devaluation.

[Begin recording] [Jesus] In an adequate move, and as a coordinated policy among the various state organizations, several measures have been taken, including a new tariff, new prices for agricultural export products, and a modification of the country's exchange system. May I repeat, the measures taken have been deemed adequate in the country's current economic circumstances. These measures aim basically at strengthening the foreign sector, rationalizing the country's imports and production, strengthening the state's finances, and consolidating the economic recovery process in the country.

I will now ask the Central Bank manager and industry minister to explain more fully the technical aspects of the measures taken.

[Presumably Industry Minister Neira] As has already been mentioned a few moments ago, the Monetary Board today unanimously -- and this is important -- approved a Central Bank recommendation regarding a modification of the exchange rate used by the Central Bank. As you and the people at large have learned, the national government has been taking exchange, credit, monetary, and fiscal measures since 4 September 1984. These measures, which were recommended to and approved by the Monetary Board today, fit the national government's realistic economic policy since 10 August 1984. The purpose of this policy is to aid the recovery of the national economy and keep the competitiveness of the external sector of our economy and a healthy balance of payments.

The people have also learned about the results of this economy. [Words indistinct] we have experienced positive results. Nonoil exports have increased by 17 percent during 1985, the pending increases of payment until 1985 were completely eliminated. In addition to having paid [words indistinct], international monetary reserves were also increased by approximately $25 million and, as we have said more than once, the country's foreign obligations are in order [words indistinct] for many, many years. [end recording]

CHURCH SPOKESMAN DISCUSSES NATIONAL DIALOGUE

PY311712 Asuncion HOY in Spanish 31 Jan 86 p 6

[Text] During a press conference with representatives of international news agencies, Monsignor Jorge Livieres Banks yesterday said that "we are men of hope. We believe that sooner or later the government will participate in the dialogue." The church spokesman explained the scope of the initiative and assessed the national political situation, stating, among other things, that in Paraguay "human rights are being violated and there is no room for dissent." During a meeting yesterday with correspondents from international news agencies, Asuncion Auxiliary Bishop Jorge Livieres Banks said that the Paraguayan Church will stimulate national dialogue despite strong government criticism for having taken up such an initiative. Livieres Banks emphasized that the church is prompting dialogue because it is concerned that in Paraguay human rights are being violated, people are being tortured and harrassed, morality is lacking, and a lack of opportunity for dissent exists.

The church spokesman stated that the dialogue will not be restricted to politicians and that intellectuals, artists, businessmen, and trade union leaders will also be convened in order to achieve a consensus. The bishop said that, even if the Colorado Party refuses to participate, the church will carry on with this initiative, which we believe is indispensable. In addition, "we are men of hope. We believe that sooner or later the government might participate in the dialogue." Livieres Banks stated that the church will not include communists in the call to hold a dialogue because the Paraguayan Constitution itself specifically disqualifies parties advocating class struggle.

Livieres Banks added that, even if this initiative might end in failure, "the church will run the risk and will make an effort because the country deserves it." Livieres Banks also said: "We believe that there are certain undertakings seeking the common good which are necessary, although success cannot be guaranteed. In a way, these undertakings represent an effort. Many times there may be circumstances that may change and permit, if not a complete success, at least the laying of a groundwork, the beginning of something that could be readily materialized in the future."

Asked what he would call the government of President Stroessner, Livieres Banks said: "An authoritarian regime that has clung to certain formats that are no longer justified." The bishop also stated tht "peace does not mean the disappearnce of revolutions in Paraguay. I am talking about a dynamic and creative peace and justice for man." Speaking about the circumstances that led the church to play a mediating role, Livieres Banks said although we have noticed an increasingly unyielding and aggressive position there has been to a certain extent an improvement in the freedom of expression. However, we noticed that this problem is being assessed in different ways.

MASS KILLING OF PEASANTS BY MILITARY REPORTED

PY041640 Buenos Aires TELAM in Spanish 0119 GMT 4 Feb 86

[Text] Lima, 3 Feb (TELAM-ANSA) -- Peruvian congressmen today began the first investigation into the alleged slaughter of 3,000 defenseless peasants by military forces in the Cachi community, Victor Fajardo Province, Ayacucho.

The massacre, which was reported today by the daily LA REPUBLICA, has shocked the public and circles close to President Alan Garcia Perez' government.

The killings reportedly occurred in June-July 1985, but the truth was not learned until recently when several survivors gave details of the dramatic event. According to the report, the inhabitants of Cachi and other nearby villages died when Army helicopters bombed the region, which they believed to be a Shining Path meeting place.

Benjamin Madueno, president of the Chamber of Deputies Human Rights Commission, said that the government will not permit human rights violations and that all violations will be punished including these that occurred during President Fernando Belaunde Terry's government.

Apparently the killings occurred during the months when the Armed Forces decided to severely suppress the guerrillas in the Andean southeast in an attempt to stop the advance of the Maoist guerrillas.

TERRORISTS BLAMED FOR DOWNTOWN LIMA FIRE

PY041748 Paris AFP in Spanish 1607 GMT 4 Feb 86

[By Daniel Sire]

[Excerpt] Lima, 4 Feb (AFP) -- Maoist Shining Path commando groups and Tupac Amaru Revolutionary Movement (MRTA) urban cells have unleashed a wave of increasingly violent and selective attacks in Peru. A huge fire that started 100 meters from Government Palace seems to be part of this campaign, political sources have said here.

Today's huge fire, which burned out at least four large garment stores in downtown Lima, was apparently caused by incendiary bombs, the Peruvian Civil Guard said. The police said there were no reports of injuries but that an explosive device had been defused in one of the stores.

Fire Department Chief Waldo Olivos said this has been one of the worst fires in the last 10 years. The fire, which started at 0830 GMT, spread 4 hours later when an explosion occurred. The police had to evacuate all residents of neighboring buildings. Nearly 100 fireman fought the flames which at times were 30 meters high.

MILITARY TRIBUNAL TO TRY FORMER MILITARY JUDGE

PY031559 Paris AFP in Spanish 1607 GMT 2 Feb 86

[Text] Montevideo, 2 Feb (AFP) -- Defense Ministry sources have confirmed here that a military tribunal has been created to try Colonel Federico Silva Ledesma, former president of the Military Supreme Court.

The tribunal, which will comprise three generals, will study remarks by Silva Ledesma to the independent weekly BUSQUEDA disclosing that many officers had been brought to trial during his administration.

Silva said he was passed over for promotion because of those trials and noted that some of his decisions were obviously unwelcome.

Silva said: Once we tried a senior officer and nearly all of his subordinate officers for brutally beating a man and then throwing him into a ditch. Thus, he said, the senior officer lost his career and his comrades did not like that.

According to Defense Ministry sources, the tribunal that will try Silva will start its preliminary activities next week.

FOREIGN MINISTER IGLESIAS VISITS ALGERIA

For Algerian reportage on the visit of Foreign Minister Enrique Iglesias to the Democratic and Popular Republic of Algeria and his talks with Algerian Foreign Minister Dr Taleb Ibrahimi, see the North Africa section of the 4 February Middle East & Africa DAILY REPORT and subsequent issues.

TRINIDAD-TOBAGO FOREIGN MINISTER ENDS VISIT

PA021922 Madrid EFE in Spanish 1543 GMT 2 Feb 86

[Text] Caracas, 2 Feb (EFE) -- Trinidadian-Tobagan Foreign Minister Errol Mahabir today ended an official 3-day visit to Caracas, during which he stated his support for Mexico and Venezuela's initiatives regarding the worldwide oil situation. Mahabir returned to his country this morning after taking leave of his counterpart Simon Alberto Consalvi and other ranking Venezuelan officials.

During his stay in Venezuela Errol Mahabir met with President Jaime Lusinchi, to whom he expressed Trinidadian-Tobagan solidarity in the defense of the oil market. Mahabir stressed that his government welcomes the Mexican-Venezuelan efforts in favor of stabilizing the prices of hydrocarbons.

Regarding an eventual initiative by his country similar to that adopted by Mexico and Venezuela to lower the price of their crude oil, he said that Trinidad-Tobago has very little influence on the international market and, since it is not a member of OPEC, it accepts the prices that others establish.

Mahabir pointed out that his country is studying the possibility of acquiring 40,000 barrels per day of heavy crude for refining at Trinidad Petroleum.

The minister said that transactions regarding this could take place before the end of this month.

COMMERCIAL AGREEMENT SIGNED WITH CZECHOSLOVAKIA

PA312012 Caracas Television Service in Spanish 1600 GMT 31 Jan 86

[Text] The investment that will be made by Venezuela and Czechoslovakia through a commercial agreement signed between the representatives of the two countries at the Foreign Trade Institute [ICE] here in Caracas will amount to $26 million.

After 50 years of trade relations, Venezuela and Czechoslovakia decided to sign this agreement to further strengthen these ties. The agreement calls for several types of cooperation in an effort to make the bilateral exchange -- such as signing contracts between firms of the two countries, drafting lists of goods and services that they want to export, and organizing trade fairs and exhibits -- easier.

[Begin ICE President Simon Izaguirre recording] This agreement establishes very specific possibilities for increasing our trade, basically concerning aluminum products, iron ore, and canned fish products; in sum, a large number of products that we will export to that country. In exchange, we will import strawberries, lathes, and machinery to process metals. Therefore, I believe that we are establishing an excellent trade flow, and we are very happy with the event we have held here. [end recording]

Meanwhile, Ladislav Vodrazka, first deputy minister of foreign trade, said that the increase in these relations is a result of the commercial success during 1985.

[Begin recording of unidentified interpreter] The figures in our trade last year show a substantial increase not only in our exports, but in our imports of Venezuelan products. We want to continue this trade in 1986 and reach a greater level of trade. [end recording]

DEFENSE BUDGET, ARMED FORCES ACTIVITIES OUTLINED

PA032247 Mexico City EL DIA in Spanish 29 Jan 86 p 6

[Text] The modernization of the Army and the Air Force will be one of this year's basic priorities, the National Defense Secretariat [Sedena] has announced, saying that its aims will be to permanently guarantee the nation's security and develop programs with high social content.

During 1986, the National Defense Secretariat will have a budget of 287.2 billion pesos to undertake various actions of great importance to the country.

It will continue to make adequate its command and team organizational structures and to train and update the training of the military personnel in order to increase their effectiveness in dealing with defensive tasks and those devoted to the protection of democratic institutions.

Sedena will also step up the antinarcotics campaigns and the operations to destroy narcotics. It will continue to work on reforestation efforts and conduct health education and literacy camapigns. Regarding the construction of homes and distribution of aid to civilian population in zones and cases of disaster, Sedena also intends to increase its actions in this direction. The actions to safeguard territorial integrity and the security of Mexicans will also be strengthened through the modernization of the Army and Air Force.

Meanwhile, the Navy Secretariat will have a 87.5 billion peso budget in 1986, during which they will continue the construction of naval bases at Manzanillo, Colima, Lazaro Cardenas, and Michoacan and of four "Olmec" patrol launches, which will increase naval operation capabilities in the medium run.

The Navy Secretariat will also continue the projects to construct berths for medium-sized and ocean-going vessels in Tampico, Tamaulipas, and Ciudad del Carmen, Campeche. This will boost the construction and shipyard industries at low cost to the Mexican Navy and other government agencies.

Meanwhile, this year the Navy's sea patrol activities will cover an extension of 140 square nautical miles.

With this budget, attempts will also be made to modernize the Mexican Navy and support its sea port infrastructure program as well as its educational and oceanography research programs.

OFFICIALS TO REQUEST REDUCED INTEREST PAYMENTS

FL040342 Mexico City NOTIMEX in Spanish 0240 GMT 4 Feb 86

[By Roberto Gonzalez Perez]

[Excerpt] New York, 3 Feb (NOTIMEX) -- Mexico will request from international banks a substantial reduction in interest payments of its foreign debt during a meeting officials will hold tomorrow with a banks' committee that negotiates with the country.

The report has been confirmed this afternoon by officials who will attend the meeting, which will be presided over by Jose Angel Gurria, the Finance Secretariat's foreign credit director, and William Rhodes, Citibank vice president and chairman of committee representing 13 international banks that have dealings with Mexico.

According to the Finance Secretariat's spokesman in New York, the Mexican proposal of reducing the amount paid for its foreign debt interests will be made in a conciliatory atmosphere. Banking sources asserted that the bankers are willing to listen to Mexico's proposals due to the new circumstances of reduced oil prices.

For several days, New York banks have been sensitive to the fact that Mexico will not be able to pay its international financial commitments on time during the rest of 1986 because of the drastic and continuing drop of oil prices in international markets.

OPPOSITION VIEWS OIL PRICE DROP, DEBT MORATORIUM

FL031708 Mexico City NOTIMEX in Spanish 1905 GMT 2 Feb 86

[Text] Mexico City, 2 Feb (NOTIMEX) -- In separate statements, opposition parties have proposed a joint action of debtor countries in the face of lowered oil prices. Jorge Cruikshank Garcia, secretary general of the Mexican Popular Socialist Party (PPS), believes that the drop in price and its impact on the Mexican economy leaves no other alternative but total cancellation of the interest.

Cruikshank Garcia added that Mexico will not be able to grow and make payments on the interest at the same time. He also expressed disagreement with declaring a moratorium on the debt because this would mean postponing or deferring the payments, an action that would further worsen the problem.

Meanwhile, the United Socialist Party of Mexico (PSUM) has expressed itself in favor of immediately declaring a moratorium.

BRIEFS

PLANE ABANDONED, COCAINE SEIZED -- A Cessna light plane made an emergency landing today in Ciudad Valles, San Luis Potosi State. Mexican Army members cordoned off the area. They have reported that 15 packages of cocaine and documents from Colombia were found in the aircraft. The light plane occupants fled the aircraft, whose fuel tanks were empty. [Summary] [Mexico City XHDF Television Network in Spanish 0130 GMT 3 Feb 86 PA]

REACTION TO DELVALLE ECONOMIC SPEECH NEGATIVE

PA312023 Panama City LA PRENSA in Spanish 31 Jan 86

[Excerpts] The economic plan read by President Eric Arturo Delvalle Wednesday evening over a radio and television network has stirred more negative than positive reactions in the different national sectors.

Most of the businessmen, workers, and other national leaders who expressed their opinion to LA PRENSA granted little credibility to the plan's effectiveness because it lacked clarity and improperly treat the problems concerning labor, social security, industry, agriculture, and the reverted areas.

The vice president of the Trade Union of Panamanian Industrialists [SIP], Alfredo Arias, said the document does not offer sufficient incentives for new industries. He noted that many of its ambiguities must be clarified, while it makes little reference to the public sector and the required adjustments to the national economy.

Legislator Jorge Ruben Rosas, of the National Liberal Republican Movement, Molirena, said the president's speech did not map out the adoption of heroic measures and changes in the state's structures needed to halt the decline in national activities.

Referring to the government's capacity to meet the tasks of economic recovery, Rosas concluded that Delvalle's government is guided by the same men who have manipulated the administration for the past 17 years. "They are the principal people responsible for unemployment and the present economic, social, fiscal, financial, and moral plight of the Panamanian state," he noted.

Dr. Mauro Zuniga, secretary general of the Association of Doctors, Dentists, and Related Professionals of the Social Security Institute, Amoacss, said that to understand Delvalle's speech, one must bear in mind three constants: the absolute rule of the lack of values, Panama's marked dependence on the industrialized countries and the subordinate and antinational spirit of those in power, and the use of repression as an opposing instrument.

According to Zuniga, the new letter of intention demanded by the IMF and the World Bank, and "drawn up by the military dictatorship," is merely intended to obtain capital to pay the foreign debt and "to increase military expenditures" to guarantee payment of the debt and consolidate "our dependence and submission to the big international financial centers."

The National Council of Organized Workers (Conato) in a communique to the nation expressed its disagreement with the revision of the labor legislation, intended to dismember the labor unions and eliminate the social equilibrium.

Dr. Ricardo Arias Calderon, president of the Christian Democratic Party, PDC, described the speech as "disappointing" because it displayed a "diluted version" of former President Barletta's economic-fiscal plan.

Arias Calderon noted as very serious the omission by Delvalle in his speech of some of the commitments submitted by the official mission sent to Washington. In other words, he said, Delvalle did not reveal the whole truth about what is being negotiated with the international financial organizations.

ABADIA BELIEVES U.S. WILL SUPPORT CONTADORA

PA042059 Panama City LA PRENSA in Spanish 4 Feb 86 p 18

[By Jose Quintero De Leon]

[Text] Foreign Minister Jorge Abadia Arias has said that he is convinced the United States is paying close attention to the Central American situation. Abadia added that he believes positive results will be obtained regarding the support of the U.S. Government and people for the Contadora Document.

Abadia Arias said he is optimistic about the results of the coming meeting to be held by the four ministers of the Contadora Group with Secretary of State George Shultz and the four ministers from the Support Group on 10 February in Washington.

When asked if he believed that the United States rejected the Caraballeda message for peace, security and democracy in Central America, Abadia Arias stated that the Contadora Group is not waiting for the United States to approve or disapprove anything; furthermore, he added, I believe the United States does not think that way, either.

Abadia Arias' opinion is that what Contadora expects from the United States is adequate support, the same thing it expects from other countries with links and interests in the area in order to truly and effectively implement the Contadora document for peace and cooperation.

Again, when asked whether or not that support would include talks with the Nicaraguan Government, Abadia Arias said that this would be logical, and that these talks should include all area countries involved in the conflict.

Abadia Arias said: "We are going to hold talks with Secretary Shultz to see if it is possible to define the kind of support or the way in which the United States believes that it should provide the support." Abadia justified this by explaining that it is necessary to bear in mind that each nation thinks according to its own genuine interests. Our actions are being taken within that context, the foreign minister concluded.

In the past few days, international observers have expressed negative feelings regarding the Caraballeda document, adding that it is the harbinger of the end of the peace efforts of the Contadora Group.

COSTA RICA

NICARAGUA TO RELEASE SEAMEN SEIZED 21 JANUARY

PA042157 San Jose Radio Reloj in Spanish 1200 GMT 4 Feb 86

[Paid advertisement by Nicaraguan Embassy]

[Text] The Nicaraguan Embassy in Costa Rica informs the Costa Rican people that the Nicaraguan Government, in a gesture of good will, has submitted to the National Assembly a request for pardon for the Costa Rican citizens who have been sentenced to prison terms for committing crimes against Nicaraguan order and state security.

The Nicaraguan Embassy also wishes to inform the people of Costa Rica that on 21 January 1986, the Costa Rican citizens (Avelino), (Francisco), and (Manuel Moreno Avendana) were detained in Nicaraguan territorial waters. The Foreign Affairs Ministry has reported this case to the Costa Rican charge d'affaires in Nicaragua in order to proceed with the release and return of the detainees.

San Jose, 31 January 1986

EL SALVADOR

FMLN ALLEGEDLY SHOOTS DOWN 10-500 HELICOPTER

PA050037 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Feb 86

[Text] FMLN units today shot down a 10-500 helicopter in the northern zone of San Miguel Department. This is the first report on this great victory in the northeastern zone, where our forces are defeating the puppet Army and now have shot down a costly 10-500 helicopter. This action took place in the San Gerardo zone in the northern part of San Miguel Department.

DUARTE LINKS NEW ECONOMIC PLAN TO WAR'S COST

PA041807 San Salvador Radio Cadena YSU in Spanish 1800 GMT 3 Feb 86

[Joel Burgos report from Salvadoran Interior Ministry auditorium]

[Excerpt] This morning, President Jose Napoleon Duarte, accompanied by the members of the economic commission, met with the 14 department governors and the 223 mayors of the municipalities. The president explained the economic measures established by his government. Reporting on the country's situation, Duarte said:

[Begin recording] Dear friends, the war has become more important than the garbage department, public employees, and all the rest. What would you do if, in addition to all of this, you had to pay for the local garrison? This is to explain to you that the war accounts for 800 million colones of our budget and that, without increasing taxes and without other sources of revenue, we have had to remove from the budget all that the ministers previously spent in drilling wells, providing subsidies, etc. What would you have done? I mean, let us not buy any typewriters this year, let us go the whole year without buying any. Let us use less paper.

Listen, cut the paper into little pieces so as not to waste it. With these small savings, we would have tried to have the garbage truck repaired. [Words indistinct] we have taken away all that we could from all the ministers and have transferred it to our most urgent need -- namely, the maintenance of our Armed Forces. This has cost 800 million colones. With the passage of time, however, the situation has become aggravated because our income has been reduced more and more. This has happend to you as well. Municipal and national revenues have also been reduced. In addition, higher prices have forced the government to spend more. A similar thing has happened to you. Prices are higher with each passing day. Iron, sand, cement, and other materials are more expensive for you who plan to build something. This is why the state is suffering a gigantic deficit. These are the country's two great economic problems.

We have the balance of payment deficit. This means that we Salvadorans earn less than we spend. Thus, we earn $900 million and spend $1.8 billion. [end recording]

In conclusion, the president answered journalists' questions.

[Begin recording] [Burgos] First of all, what do you have to say regarding the transfer of Colonel Ochoa Perez?

[Duarte] This is a part of the internal process of the Armed Forces. They present their plans and then I make a decision on the matter. At the time, they told me they wanted Col Ochoa and I said: Sure, all right. I will talk to him. He pledged with me to work within the outline I prepared for him. The high command members are present at the meeting. He told me he was willing to be transferred and I gladly appointed him commander. I accepted the Armed Forces' request. Now I have received another request in which the Armed Forces officers propose Colonel Rubio for the 4th Infantry Brigade because they feel it is time for a rotation. As you have seen, Colonels Ramos, Hernandez, and Benavides have been transferred elsewhere. They meet to discuss these issues every month, and every 3 or 6 months make revisions. They also make revisions at the end of the year, and they make adjustments known as the national plan. This is the program they have selected. And that is all there is to it. Changes are made to make things work according to their plans. This is normal in the Armed Forces. As you have observed, a number of changes have occurred at this time as part of the Armed Forces' structuring process.

[Unidentified reporter] Some circles have interpreted this transfer as a punishment for Ochoa's stance, which was not in accord with the high command and has been made public. For example, when you decreed a truce, he said there was no truce.

[Duarte] I feel we must differentiate between military decisions of the Armed Forces and an individual's personal decisions. I am not worried about this because in a democracy some speak in favor and others disagree. I present a proposal to the country so the country can understand the country's course and destination. This is why I am not worried.

[Burgos] According to the church, some towns have reported that some mayoral offices are not receiving the same revenues as before. Some mayors have said they need more money for their plans. Will the government do something about this?

[Duarte] There is a program for 1,000 works throughout the country. The program has been set and is ready to be initiated. We have just signed credits for 200 million colones for the works to be carried out in the country. [end recording]

SUSPECTS IN 1985 MURDER OF U.S. MARINES ARRESTED

PA031642 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 Feb 86

[Report issued by the Salvadoran Armed Forces Press Committee -- date not given]

[Text] The National Guard has routed a PRTC [Revolutionary Party of Central American Workers] terrorist cell in San Salvador. Eight terrorists were detained and a large quantity of arms seized. The subversives, belonging to an urban cell of the organization responsible for the Zona Rosa massacre, were engaged in various financial and logistics activities in the capital.

According to statements by Pedro Vladimir Rodriguez Guardado, alias "Mauricio," who was one of those captured, the arms seized were allegedly used in the Zona Rosa murders. He said that "Ulises," who directed the operation, ordered him to have the weapons ready 5 days prior to the attack. "Ulises" collected the weapons 3 days prior to the massacre.

Here are the names of the seven others who were detained:

Alexander Magana Franco, alias "Ruben Martinez," 29, recruited in November 1980 and currently in charge of the PRTC's supplies and personnel.

Yolanda Aida Herrera Moran, alias "Marta Cruz," "Maria Jose," or "Lara Fernandez," 42, recruited in 1980, and currently in charge of the PRTC's finances in the metropolitan area.

Jose Anibal Masferrer Valladares, alias "Federico A. Soto," 42, recruited in 1981 and currently in charge of the PRTC's financial group.

Irma Elisa Ramirez Alvarado alias "Edith Ramos," 30, recruited in 1980 and currently a member of the PRTC's finance commission.

Miguel Angel Molina Jimenez, alias "Mico de Pita," 45, recruited in 1981 and currently in charge of medical supplies and document transactions for the PRTC.

Rosa Elena Vasquez Perez de Hernandez, 42, recruited in 1981, PRTC collaborator and courier.

Gloria Elizabeth Rodriguez de Molina, alias "Glorita," 30, recruited in 1981, collaborator in various PRTC activities.

Pedro Vladimir RODRIGUEZ Guardado, alias "Mauricio," 16, recruited in April 1984, and responsible for cover for weapons and combatants.

This is the armament seized: 3 AR-15 rifles, a .45 caliber machine pistol, a .45 Colt pistol, a 9-mm Berretta pistol, a .25 caliber Astra pistol, a .22 caliber Star pistol, a.30 caliber carbine, a .273 caliber carbine, 4 12-gauge shotguns, an M79 grenade launcher, an RPG-2 grenade launcher, 7 grenade firing pins, 200 RPG-2 trigger actuators, 8 RPG-2 grenades, 7 Russian-made fragmentation grenades, an offensive 74 [not further identified] hand grenade, 10 boxes of fuses for explosives, 65 TNT blocks, a large quantity of ammunition, two Claymore mines, 158 emblems of the PRTC's Luis Adalberto Diaz detachment, and a 1598 TP radio transmitter.

The PRTC cell and the armament were discovered in San Salvador in house No 44 of the main street of the Gallegos No 2 neighborhood in Lourdes borough, and in a house on Jupiter street in Ciudad Satelite, also in San Salvador. There was also a drugstore that supplied medicine to the guerrillas, where foreign documents, such as passports, were also found, as well as a Radio Venceremos bulletin. National Guard Director Colonel Aristides Montes has said that this is a hard blow inflicted on the terrorist groups that operate in the urban zones and also on the PRTC's logistical and financial organization. Those captured have been turned over to the proper authorities.

Peace is our objective.

AIR FORCE ALLEGEDLY BOMBS DENSELY POPULATED AREA

PA031402 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Feb 86

[Excerpts] Reports from San Martin municipality outside San Salvador indicate that the genocidal Air Force has staged a massive machinegun, rocket, and bombing attack against that area. The civilian population has fled. Initial reports say that the attack was directed against the communities of San Jose Segundo, Las Lojas, Potrerillo, Los Planes, and other cantons in San Martin jurisdiction. All Salvadorans know that San Martin is a densely populated area with more than 200 inhabitants per square kilometer. This is a new action designed to rid that central area of its population.

Attention, attention. Duarte's Air Force has conducted more desperate air raids against the civilian population. In addition to the report we recevied from San Martin, Radio Venceremos now reports that the Air Force attacked civilian communities in Morazan Department on 1 February. The report indicates that on 1 February A-37 Air Force planes, helicopter gunships, and other aircraft bombed the area of Jocoaitique for 3 consecutive hours. This is a civilian area. The indiscriminate bombing against the civilian population was also directed against the area of Joateca, in Morazan [as heard] Department.

GUATEMALA

NEW GOVERNMENT CRITICIZED FOR NEPOTISM, INACTION

PA040341 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 3 Feb 86

[Station commentary]

[Text] On 1 February Guatemalans began their second month of the year while the economic crisis that affects every family widens and becomes more acute, and the country's future still has not cleared up.

Two weeks after the new Christian Democratic government was installed, Guatemalans still have not seen any changes in the handling of the nation's affairs, except for the new faces in the most important positions. We admit, however, that officials more able than those who rule during the past 10 years now govern the country. Taking into consideration the serious crisis confronting Guatemala, however, this does not seem to be enough and, 2 weeks after they assumed office, the new leaders also show signs that they don't know what to do and even that they cannot form the government team. Perhaps because of this, the main Christian Democratic leaders have appointed their parents, brothers, nephews, uncles, friends, and fellow party members to the highest positions in the public administration.

Meanwhile, Guatemalans must face more and more needs with fewer and fewer true resources because of the merciless price hike brought about by the fast devaluation of the Guatemalan currency. It appears that the government's bankruptcy, which began about 6 years ago and that has been aggravated since then with highs and lows, will continue this year. The foreign financing, so much talked about during the electoral campaign, has not crystallized as the Guatemalans had hoped. Of the three most important countries said to give us economic aid, the FRG reportedly has announced its inability to assist us this year. Italy constitutes a mystery, since two versions have circulated regarding its aid to us. The first indicates that the 300 million enthusiastically mentioned to the Guatemalan press was not really dollars but liras. As a result, the amount to be received would be considerably reduced. The second version says that the $300 million would be distributed throughout Latin America this year.

Finally, the United States, whose fiscal year began in October 1985, would deliver to Guatemala a maximum of $76.9 million at best, that is to say, if all the demands are met. This amount includes a $10 million loan announced for our country 2 days ago and earmarked for the purchase of military equipment. This loan will be complemented by a nonreimbursable allocation of $300,000 for military training.

Consequently, Guatemala's main source of revenues will have to continue to be the people's contribution through legal taxes, those provided by the legislation in force, the infamous taxes, and those that appear and impoverish the people through the issuance of currency with no other support than the ability to print bills. This year, our country's government could set a nefarious record. The government budget deficit threatens to be greater than the fantastic deficit of 1981. The threat is posed by large public expenses, the increase in bureaucracy, and reduced tax revenues as a result of the country's economic backwardness.

Because of this, the government should establish a new set of taxes this February or, at any rate, prior to the government's first 100 days in the national palace.

HONDURAS

COMMENTARY ON LOPEZ REYES' RESIGNATION, MILITARY

PA032046 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Feb 86

[Station commentary: "National Anxiety"]

[Text] The nation again experienced crucial moments of anxiety when, at the instruction of the Armed Forces, the airwaves were filled with the alarming martial music that has traditionally portended coups d'etat. Fortunately, there has only been a change in the Armed Forces leadership. Walter Lopez Reyes has been replaced by a new commander who will soon be elected by the National Congress.

In any civilized country, a change in the military command is routine and normal. It should not and does not provoke either alarm or concern among citizens. Changes are a normal occurrence in any institution. Routine procedures exist so that conjectures will not arise.

But General Walter Lopez' departure has been surrounded by two aspects that have caused expectation.

One aspect enabled the people to learn -- to a great extent -- that there were reasons for his resignation, even though he is an officer with broad popular support. Another aspect is that, unfortunately for the country, the military's internal situation is not one of unity. We say unfortunately because the military is important not only to the defense of the country's territorial integrity and sovereignty, but also to the safeguarding of the country's domestic order. With Gen Lopez as commander, the military had been setting a very good example, to the extent that today we can say that the Armed Forces have fulfilled their constitutional duty as guarantors of domestic order. Most of the Honduran people have a good impression of the military. To a great extent, this is due to the leadership of Gen Lopez Reyes.

Nevertheless, there are some things in institutions that follow an inevitable course. In the Armed Forces, the leadership changes are decided by their highest body, the Superior Council. The decisions of that body cannot be contested by the rest of the nation. In truth, one would have to be a member of that high military body to judge its decisions at the moment when it decides to force the resignation of one commander and appoint his replacement. The civilians, who most of the time do not understand and have no knowledge of military behavior, worry when these unusual changes in the Army take place, and the whole country becomes uneasy. The news media, which tries to get to the bottom of the internal conflicts that arise within the Armed Forces, usually knows as little about the situation as almost everyone else, even though the natural thing should be that the Honduran population should know much more about their Armed Forces because they are part of the nation and therefore of the Honduran people.

On this occasion, the replacement of the commander in chief of the Armed Forces has caused anxiety among the people because of the circumstances in which it has taken place. Only 5 days have passed since the country experienced a legitimate transfer of power and suddenly it has suffered this shake-up, which means the departure of the man who played a fundamental role in that civic transfer of power. We know that the entire military structure played an important role in supporting the institutional process. Therefore, we are not worried now that the militarymen have decided to change their highest leader. We do not think that this change in the military will have the least effect on the development of the institutional process. That is how it should be. Each sector of the country should decide its actions without affecting the rest of the nation.

Nevertheless, part of our concern is based on the fact that it is becoming increasingly common for commanders of the Armed Forces to be forced out before their constitutional term has expired. In this last period, the Armed Forces have had three commanders. This is not good for the institutional process. It is not good that the best organized institution, the Armed Forces, frequently resorts to removing its commander, especially when there are not sufficiently strong reasons for such a step.

We have said that civilians should not be directly involved in military affairs except to be concerned that the Army is on the right path because the security of the state depends on the military. The Armed Forces, especially their highest officers, should always maintain honorable conduct.

The military institution began to deteriorate, not through the fault of the civilians but due to many of its commanders' desires to participate in politics. We believe that General Policarpo Paz Garcia is the one responsible for making the Army return to the garrisons to become united and recover from the wounds it suffered with its extensive participation in politics.

In this sense, Gen Walter Lopez Reyes followed the same policy adopted by Gen Policarpo Paz Garcia. We must be grateful to them for responding to the citizens' desire to have the Army fulfill its true constitutional duty.

It must also be acknowledged that both Gen Paz Garcia and Gen Lopez Reyes were partly responsible for improving the Army's image. We are especially concerned that the new military leaders understand the national reality as Gen Policarpo Paz Garcia and Gen Walter Lopez Reyes did. We hope that the new Honduran Army leaders' conduct towards the rest of the nation will be based on the understanding that the Army as an institution must always be at the service of the nation, the people, and the national interests.

OBANDO Y BRAVO ASSERTS PERSECUTION OF CHURCH

PA032119 Panama City ACAN in Spanish 1818 GMT 3 Feb 86

[By Armando Cerrato]

[Text] Tegucigalpa, 3 Feb (ACAN-EFE) -- Nicaraguan Cardinal Miguel Obando y Bravo said here today: "I am not a politician, I am not struggling against the Sandinist revolution, and I am not allied with the counterrevolutionaries." He explained that during his trip to Washington, "the only thing I did was talk about certain actions and events that have taken place in my country and which are true, because as a pastor and disseminator of the Gospel I cannot hide or distort anything."

Obando y Bravo noted that he visited several international organizations to raise the charges, "but this was not in any way in favor of any given group, as my only favoritism is the one I feel for the Catholic people of Nicaragua and the holy mother church." "I am not related to any of the rebel groups. I spread the good news as a pastor and lead the population and the church to calm waters. My greatest wish is that all the problems in my homeland will be resolved through civilized means until we reach a stable peace." I regret that "many times one's wishes do not come true, but that is part of life, and there is no reason to try to establish different situations by force."

"I am not struggling against the Sandinist revolution as a pastor or as a man; I struggle against sin," Msgr Obando y Bravo said. "We struggle also against injustice and denounce actions against the common good, because the church must give a voice to those who have none," Obando y Bravo asserted.

He said that he would like the Nicaraguan Government "to head toward a search for the good of the majority and peace -- a peace based on truth, love, justice, and freedom." He explained that "if peace is not based on the pillars of love, freedom, and justice, it cannot be called peace."

"I charged that our social promotion offices and our printing press were raided and that Radio Catolica was closed because that is what happened. This makes us a church that is being persecuted for no good reason." The Nicaraguan cardinal noted that the accusations levelled by the Nicaraguan Government at the church "are not truthful, are groundless, and have a political backdrop which is of no concern of ours." He also said that "we are prepared to confront slander with the truth and to report actions against the church."

Obando y Bravo said: "I will return to Nicaragua with the conviction that we must continue our evangelizing work, denounce the persecution against the Church, and struggle for truth to prevail above everything else."

The Nicaraguan cardinal arrived in Honduras to celebrate a mass at the basilica of Jutiapa, 8 km east of Tegucigalpa, on the day of the Virgin of Suyapa, Lady of Honduras and the Armed Forces.

NICARAGUA

ORTEGA SPEECH AT 'FACE THE PEOPLE' MEETING

PA011900 Managua Domestic Service in Spanish 0035 GMT 1 Feb 86

[Speech by President Daniel Ortega at the conclusion of a "Face the People" meeting held "in Managua" -- live]

[Text] We are interested in holding this exchange, this dialogue with the salaried city rural workers. As you may have noticed, for several months now we have been giving special emphasis to our contacts, our meetings, our dialogues with the peasants. Week after week we have been meeting with the peasants from various parts of our country, from various regions, who are justly demanding land to till.

Of course, we have had the opportunity to talk with the peasants about many problems during these meetings. We have talked about their problems, such as land problems, supply problems, economic problems, political problems, and the war problem. As we began 1986, we continued our dialogues with the peasants, but we considered that it was also necessary and opportune to have meetings with the salaried workers. As we become familiar with the many problems affecting the Nicaraguan workers, we feel we can improve the revolutionary government's capabilities for guidance and decision. That is why all the companero ministers of the revolutionary cabinet are here tonight.

These meetings -- these "Face the People" programs -- allow the ministers to become aware for the first time of many problems, because the ministers are studying very general problems and sometimes they have difficulties with specific problems. [Words indistinct] because there was a lack of communications. Thus, these "Face the People" programs are very important. We meet with the peasants and we meet with the salaried workers, who are the pillars of the Nicaraguan revolution.

The FSLN has been clearly supporting strengthening the unity of the peasants and workers. The FSLN National Directorate has been ratifying this line and the revolutionary government has been enforcing it. When we distribute land titles and rifles to the peasants so they can defend these lands, we are strengthening the defense capabilities of the revolution, we are strengthening the defense capabilities of the Nicaraguan workers. The peasants are on the front lines of combat, in the areas where the counterrevolutionaries are moving about, and they have to confront, reject, and defeat the enemy in the front lines of combat. Thus we attach importance to the Nicaraguan peasants, who have a long record of struggle and combat.

We cannot deny that we have thousands of workers mobilized who have fought in various cities of the country. We had to give arms to the peasants so they can defend their interests, so they can defend the common interests of the workers and peasants. We met with you in about September, during the fourth assembly of the workers [words indistinct]. We recall that during that meeting we emphasized that increasing wages would not solve the economic problems of Nicaragua. You presented some proposals, and more than demanding wage increases, you proposed a readjustment of wages. However, we can assert that during that meeting we all clearly understood that we could not cope with the problems by changing salaries. We even said that we could not even think of solving problems if we do not have the formula for solving them. We must find a formula for confronting the problems. You recall that we regarded the issue of salaries as an instrument that we had to readjust, but that it was not the main instrument for confronting the problems.

During that meeting we pointed out other problems that had to be confronted. We pointed out the problems of supply, of distribution of products for the city and rural workers. First, we had to guarantee that staples were sent to the city and rural workers, and later that these products had a just and controlled price. Then the various speakers reiterated that there was a need to control prices, a need for creating mechanisms of effective distribution, and you exerted a strong pressure on the Domestic Trade Ministry [Micoin]. Naturally, it is the duty of Micoin to confront this problem although this is a problem that concerns us all. We must all confront this problem by supporting Micoin, which is the organization in charge of this aspect.

There was much concern, and it was justified. The workers were very concerned. Why? Because Micoin is facing very difficult problems. It is creating mechanisms, making efforts to (?control) distribution and regulating prices of staples.

By the end of the year, on 31 December, we announced a salary readjustment, effective 1 January. This readjustment is in line with the policy that I defended at the September assembly. In other words, the salary readjustment was approved on 31 December and became effective 1 January.

This salary readjustment is not really increasing the workers' wages. In other words, in 1984 the worker had a purchasing power that had deteriorated. Wages continued to deteriorate in 1984. Inflation was moving at an uncontrollable rate. We have a policy of subsidies that was being promoted from the beginning of the revolution in order to protect the workers' wages, to control the prices of staples. However, what happened then? The military confrontation issue, the war, the economic situation, all of this affected prices that continued rising. The speculators and the unscrupulous merchants were the ones who benefited from this situation.

Thus, the worker's wages were deteriorating. He could not buy the same with the same wages. He purchased less because the workers' wages deteriorated in 1984. In 1985 we decided to change the policy we had been upholding since 1979 because the workers' wages did not only deteriorate in 1984. The situation had been worsening since 1979, 1983, 1984. Then we adopted a number of measures early in 1985, when we combined price increases of some products as we eliminated the subsidies. In other words, we were giving those products their real prices, according to production costs. We also readjusted the workers' wages, trying to adjust them to the new prices. This is a readjustment, because if it were a salary increase, then the worker would be able to purchase more. We did not do that. We strive so that the worker will continue to be able to purchase staples and be able to pay for the minimum service for living. Thus, those measures -- readjustments of wages and prices -- controlled the speculators, prices, supplies, and so forth. All of this happened, but we still had much to do.

When the September assembly was held, we announced our conclusions, as well as the resolutions of the Sandinist Assembly and of the National Directorate that sought to protect the real wages of the workers. It aimed to benefit the peasants, their lands, promote the agrarian reform. Naturally, this included the military defense of the revolution. The workers joined the Patriotic Military Service, the reserve battalions, the reserve units, and so forth. When we enforced these measures early in 1985, we had not yet effectively controlled the mechanisms of economy, the merchants, prices, distribution. There were hundreds of controls that we had not coordinated. There were many problems.

Thus, there was room for speculation. In spite of the efforts that were being made to readjust the workers' wages, there were problems.

Even though there were official orders, the speculators were able to take advantage of them. They increased their prices over the official prices. This concerned the workers. When we met at the Assembly, they told us they were concerned over this situation. They said we were not controlling the measures; the measures were not reaching their goals. Also, our enemies who identified themselves with the U.S. aggressive policies wanted to destroy our revolution. Then, there are also other enemies who can deliver a revolutionary speech, a radical speech, but deep inside they agree with the stand of our imperialist enemies.

They started to criticize the economic policies of the revolution. It was not unusual for the local newspaper that represents the interests of exploitation and imperialism here to publish statements of some individuals who call themselves leaders and representatives of the Nicaraguan workers. Why did this paper emphasize the statements of these individuals? Naturally, because these individuals were playing the imperialist police game in order to confuse the workers. The international news agencies also emphasized the statements by these individuals. They (?also used) the statements made by COSEP [Higher Council of Private Enterprise] and the rightist parties that sought to blame the FSLN's policy of principles for the economic crisis in Nicaragua.

We are adopting a number of measures this year, 1986. The first measure is the salary readjustment effective 1 January. We have been monitoring the workers' reactions to the measures. What was that reaction? They did not applaud the salary readjustment measure. The workers received the measure with a little distrust because the workers know that this measure alone will not solve the problem, but that the problem is solved by producing, controlling prices, distributing the products. Thus, the workers' reaction was not the most favorable and that was logical. In addition, the Nicaraguan workers are becoming more knowledgeable, are becoming economic experts as well as international policy experts. They felt that if there were salary readjustments this meant that prices would increase. They realized this was the result of either the government authorizing them, or the speculators taking advantage of the situation. Naturally, as soon as the announcement had been made, the speculators established new prices. This was evident in the interviews with workers printed in newspapers or aired over radio and television. They were concerned, even bothered about the measure, because the measure was being used by the speculators to take advantage of the workers.

However, I can assure you that right now Micoin has a much better answer for all this, and so do the Sandinist police, the mass organizations, and the workers who are becoming more directly involved in the struggle against speculators. We have managed to put a halt to the speculators' attempts to take advantage of the salary readjustments so that they could benefit from them. That is what the speculators were doing with the anarchic increases in prices. They were practically robbing the workers, and it would then be the speculators who received the benefits from the salary readjustment approved for the workers.

Why did we adopt all these measures? We did this in order to confront the crisis, to control the crisis. This crisis cannot be controlled just like that. Why is it not in our hands to eliminate this crisis? Because there are outside factors that burden the Nicaraguan economy. You are well aware of these factors. What is the main outside factor affecting us? Which one? [audience shouts: imperialist aggression] Aggression, yes, that is the main factor burdening our crisis. Then, there are other problems, such as market and product prices. For example, this year coffee prices are good. But how about the other products?

How about those tractors that our companeros are asking for, and the tires our companeros need, and the spare parts our companeros are asking for, and the hospital equipment another companero is asking for? Have those prices dropped? No, they have increased, they have doubled, tripled. [words indistinct] of some of our exports. We also have that problem.

Then, we have the problem of the foreign debt that is burdenin our economy. Thus, the measures have been adopted to cope with the crisis, not to solve the crisis, so that the crisis will not ruin us. We know we must control the crisis and overcome it. We must give our products their true value. Many products have been devalued, [words indistinct]. But there is a distortion, a deformation [words indistinct]. At a given moment, the peasant who produced corn and beans, for example, thought it was better for him not to produce corn and beans and complain to Micoin, who sold his corn and beans. Why? Because the price he was receiving for his products was very low, or perhaps it was not profitable for him to produce corn and beans.

Thus, we must see what the real production costs are, what it costs in this country to produce a consumer article. We must also make efforts to encourage producers. When we refer to producers, we are referring to the great state production and private production, the small and medium-sized farms, the thousands of peasants who produce staples and produce for export. We must encourage them. However, we must also encourage the workers, who are a basic force of production.

We have said that in the face of the economic crisis, we will never allow ourselves to be led into what is called the philosophy of exploitation, the philosophy of the IMF. In other countries, the economic problems are being confronted at the expense of the workers. They throw the workers out in the street. These are the solutions proposed by the IMF. We then hear about the complaints, the (?reserve services) do not develop, the educational and health programs are eliminated, there are no programs for the children. Only a few enterprises are left operating, if these are profitable, and at any cost. If enterprises have to shut down, they are shut down; and if 1 million workers have to be dismissed, then they are dismissed. There are some governments that do this.

However, they are hurting their own people. They are not finding solutions to their economic problems. They are making their domestic problems even worse with such measures. But let each government and each people do as they see fit; they are free to face their problems in their own ways. We say this with all due authority, because Nicaragua is a government and people who are constantly receiving advice from everyone on how we should handle our internal, political, economic, and social development. Everyone comes here to give Nicaragua advice and tell us how we should act. Not really everyone in the world, but a good part of the world comes here to try to tell us what we should do. We are receptive, we listen. But naturally, when some come to advise us on what we should do in order not to upset the United States, then we reject this advice, which is not the best advice.

Just as they constantly give us advice -- and so many give their opinions on Nicaraguan policy -- we also have a right to give our opinion on their behavior. Many governments fall, victims of U.S. blackmail policy. They fall, victims of the IMF, and they sacrifice the workers. That is certainly not a formula for Nicaragua to follow.

When we decided to adopt the measures [mentioned earlier], we were looking for ways to increase production, which is basic. Even if many measures are adopted, the production is not increased; then there are no results. [sentence as heard]

The measures must bring about an increase in production. By increasing production and developing the economy, we will have the instruments in order to fully control the crisis, completely eliminate the crisis. Thus, these measures seek to encourage the producer and protect the worker. These are very complex measures to enforce when there is not an iron fist control, an absolute control of some marketing mechanisms. It is (?difficult to control them) and this leads to speculation.

Now, the measures we have adopted this year and which I mentioned earlier, that is, wage readjustments, [25 second break in transmission] and the registration of consumers. These two laws give workers an active participation, and they will help us guarantee better distribution of staples. They will also help us guarantee control over prices. Also, some prices will have to be revised. We have talked about the beef problem. Beef is controlled not only by the (?police), but also by (?prices), that is, by combining several actions.

At noon today, we also announced a new exchange rate of 70 [cordobas] to 1 [dollar], an official exchange rate for imports, exports, and various credit and banking operations. We are seeking to face the financial, economic situation of the country. We cannot live in a fictitious situation. We must live in reality. Reality tells us that our currency cannot stay at the rate of 28 to 1 anymore, and that we must adopt the 70 to 1 exchange, so then we do it. We agree on the 70 to 1.

Prices will have to be readjusted. Speculators should not raise prices because we are going to fight them. We will give them some time to examine the effects of the salary readjustment, of the various measures, such as the exchange rate, in order to make a price readjustment, but only for some products, not all of them. The exchange rate affects some export products, and a few domestic consumption items. That is going to be regulated by Micoin. Merchants will not be able to fix whatever price they see fit for some products. No one is authorized to increase prices at this moment. We have a price commission that is going to study carefully how these measures develop, and then announce what is a more or less fair price for certain products.

A list of the new prices will be issued. Merchants will have to abide by that list. Therefore, we cannot tolerate, as a result of these measures, unscrupulous merchants raising prices tomorrow morning, as they did on the day following our announcement of the 1 January wage readjustment. They must respect the price list. We are clearly stating that for the time being there are no price hikes. You must wait for the price list to be issued.

We have also been announcing other measures. For example, we took the 1986 budget and carefully watched our centavos so that the difference between our expenses and our income would not be so large, so that the so-called fiscal deficit would not be so large. In spite of the great efforts, the fiscal deficit is large. We have an estimated deficit of approximately 26 billion [currency not specified], without taking into consideration these measures. We hope to solve this deficit with these measures.

This means we have made an extraordinary effort, and for what? We have done this in order to invest in expenses that will allow us to maintain the country's capacity in all aspects. We are not making plans on the growth of our services, or on a great growth of our economy, even though when we discussed the budget, we decided that we had to guarantee the budget for the productive, agricultural, and industrial sectors. We had to guarantee that.

The same holds for investments in the productive sector. This morning we were discussing this at the planning department.

We had to increase the budget a little bit because we were cutting funds from the basic grains contingency plan. This is an important plan that concerns the nourishment of the Nicaraguan people. Thus, this is a plan that must be given support and must be included in the budget.

We would like to build schools everywhere, but there is a very great difference between what we receive and what we spend. Thus, we must control ourselves, and in doing this, we guarantee funds for production and cut some funds from services -- health, and education -- in certain areas. What conclusions did we reach? Well, we are going to build a few more schools this year. We are going to build a few more health centers this year. We are going to build them in the rural areas. Why? Because in the city we have a lot of people who are not producing. There are many persons not involved in productive tasks in Managua.

We are interested in seeing these Managua people go to the rural areas to become involved in productive tasks. He who wants to have water should go to the rural areas; if he wants to have electricity, he should go to the countryside; if he wants to have housing, he can have it in the countryside.

The contingency plan of basic grains was approved. We have approved the productive projects that are involved in the production of food, in the production of export goods, in the industrial area for the basic needs of the country. The availability of foreign currency needed for these sectors will also be guaranteed. Actually, we have available a very limited amount of foreign currency. Our demand for currency is much higher than the amount we have available.

All these measures are connected with our policies for austerity, efficiency, and discipline at work. Unless expressed in the form of greater productivity, these measures would be failing. We are indeed confident and certain that these measures will result in greater productivity and efficiency. In order to achieve productivity and efficiency, we need discipline; thus the role to be played by the workers' leaders must be to bolster the workers' discipline. An hour lost multiplied by thousands of workers represents millions in losses for the country. The person working at a work center or industry, especially in the cities, must not forget that while he is effectively producing, others are fighting and risking their lives in the war zones. He who is undisciplined must be reprehended because he is not behaving like a worker, he is not defending the workers' interests, but on the contrary, is playing along with the oligarchs, the exploiters, and imperialism. In fact, due to his attitude, he becomes a counterrevolutionary; his attitude is counterrevolutionary even if he delivers a revolutionary speech, even if he delivers the most radical speech that can be delivered in this country. If he is not producing, if he is not working, if he is not doing his job, he is behaving like a counterrevolutionary.

That is where the U.S. Government strategists have placed their hopes. They have placed all their hopes in the economic crisis to totally crush the Nicaraguan people; in the FSLN, the government, and workers not being able to control the economic crisis; on the economic crisis dragging on to create a state of unrest among the workers, people and peasants against the revolution and for this to lead to a situation of counterrevolution, rebellion, and insurrection, so that the mercenaries and the U.S. interventionist troops can invade our cities.

Through all the studies that are being conducted by President Reagan's advisers -- his military, economic, and political advisers -- they see clearly that they cannot defeat the revolutionary power with mercenary forces. That has been proven here for a long time. With each passing day, with each day that the people's power is strengthened, we have a more powerful fist to hit and crush those counterrevolutionaries.

So they know that with mercenary forces they cannot destroy the people's power. However, they say: The mercenary forces must be maintained. Why? Because the Nicaraguan economy is being destroyed, because the war costs this country, because there is an international economic crisis, because there is U.S. pressure on certain governments and on multilateral organizations so they will not help Nicaragua. So they say: If military pressure is maintained and the economic crisis is intensified, then there will be conditions for the counterrevolution in Nicaragua, because then the workers will not support the revolution or the Sandinist Front, nor will the peasants or the people support the revolution or the Sandinist Front. Then conditions will be such that the Yankee troops can arrive in Managua and can be received amid applause by the Nicaraguan workers.

That is what they think, those who analyze the situation. Naturally, what they are thinking is completely absurd because even if there were an economic disaster, this is a revolutionary people, and they will never set themselves against each other. President Reagan's analysts are wrong about this, as they do not realize that a revolution has taken place here, and when there is a revolution it is because the people have waged it and even if they provoke the biggest economic catastrophe, that will not change the people's mentality as revolutionaries. The people have gradually learned to live each day among sacrifices and difficulties.

The U.S. Government is trying to destroy our people. It is making efforts to get more money to maintain the aggression against Nicaragua. It is going to ask for $130 million to continue the aggression against Nicaragua, so that the mercenary forces can continue killing peasants and carry out terrorist activities in Nicaragua. Well, that will be on the consciences of the U.S. leaders and Congress. They can give $130 million in military aid to those mercenary forces, they can give $500 million in military aid to those mercenary forces, they can give $1 billion to those mercenary forces, but do you think that those mercenary forces could destroy this revolution even with that military aid? [cries of "They will not pass!" "Free fatherland or death!" and other slogans] Do you think that if the Yankee troops themselves intervened in Nicaragua, they could destroy this revolution or make it surrender? [cries of "They will not pass!" and other slogans]

President Reagan and those advising him are completely wrong when they think that by giving more money to the contras, they will be able to destroy the revolution. They are completely mistaken. With that, they will simply create more sacrifices for the Nicaraguan people, more pain, but they will also elicit more indignation, more willingness to fight, more determination to win and defeat them. [applause, slogans]

We have spent several hours here this afternoon listening to the workers' demands. The workers want tractors, machinery, and equipment for the agroindustry or for the factories in the cities. The Nicaraguan people want to work, they want peace. We are intent on defending, even with our weapons, our right to peace, and this is how our combatants are defending it in the front lines of combat.

Then there is the U.S. President, making a hysterical campaign against Nicaragua and meeting with several of those to whom he pays salaries, the traitors who pose as political leaders of the FDN [Nicaraguan Democratic Force]. Among them was Mr Arturo Cruz to whom we gave the opportunity [boos] to return to his country, as he had lived in the United States for years and he no longer remembered Nicaragua. We gave him the opportunity and he rejected it, and there he is, back in the United States. Mr Cruz is a CIA employee, he receives his wages from the CIA. That other gentleman, who was a Coca Cola manager, Mr Adolfo Calero, was also there. He also gets wages from the CIA. [boos] Mr Alfonso Robelo was also there.

[Boos] catcalls] Mr Arturo, Mr Alfonso, and Mr Adolfo -- they call them the triple A -- reportedly enjoy the sympathy of Nicaraguan workers; [boos, catcalls] they have the Nicaraguan workers and peasants' support. [boos] That is what they have been repeating in the U.S. Congress, that they have the support of Nicaraguan workers, peasants, everyone. This is what they have been repeating to U.S. congressmen, [a shout, laughter] that you support them. [boos, slogans]

He [President Reagan] has met with these people to continue his campaign so that the U.S. Congress will approve $130 million for him. Who knows how much money he will request, but at this point there is talk of $130 million.

I mention (?this) because today there have been reports about Haiti. There has been talk about Haiti for several days now. But, naturally, it is not until now that the United States, the U.S. Government, has apparently begun to realize that Haiti exists. We know about the heroic Haitian people's history. They have been oppressed and exploited by a criminal pro-Yankee dictatorship, a criminal dictatorship that has been supported by the Yankees, the Duvalier dictatorship.

I mentioned the meeting between those men and Secretary Shultz in the United States, and one of those at the meeting was Mr Robelo. With Somoza he visited Haiti, where he established a very good friendship with the Duvalier family and did business with them, the blood business, that scandal involving [word indistinct], which was denounced by Pedro Joaquin Chamorro and later led to his assassination. That was a business deal that Somoza, a godchild of the Yankees, and Robelo, a capitalist godchild of the Yankees, went to make with Duvalier, a criminal and exploiter, who was also a godchild of the Yankees. The three Yankee godchildren engaged in that criminal business deal. And when we say Yankee godchildren, we wish to make clear that we mean godchildren of the aggressive, imperialist, and undemocratic policy defended by U.S. Governments like that of Reagan and by many U.S. governments. In fact, most of them have been defending the type of policy that calls for supporting brutal governments like the one in Haiti.

But the Haitian people have been there, rebelling, protesting, suffering, and they are fighting, they are taking to the streets to fight that criminal regime. However, it was not until today that the United States realized that Haiti exists. Trying as usual to take advantage of this situation in a spectacular way, Mr Speakes, a Reagan secretary, [title as heard] announced this morning while flying in a plane with Reagan that Duvalier had already been overthrown. So as to appear to be interested in Duvalier's departure, they now seem to be looking at reality and to be sending Duvalier to hell. But it was not so. Duvalier is still in place and the people are confronting him. What Mr Speakes said in the morning was not true.

We must mention, however, that throughout our entire struggle, while fighting Somoza, we felt we were fighting Duvalier. While fighting exploitation here in Nicaragua, we felt we were fighting exploitation in Haiti. While fighting the imperialist policy in Nicaragua, we felt we were also fighting the imperialist policy in Haiti. We feel confident and certain that at some point the Haitian people will rid themselves of that dictatorship, just as the Nicaraguan people rid themselves of the Somozist dictatorship. That will hurt the Yankees, of course, it will hurt Yankees like Reagan, who think like Reagan, who prefer to be friends with the Duvaliers rather than with the Haitian people, and who preferred to be friends with Somoza rather than with the Nicaraguan people, because they were on good terms with Nicaragua when Somoza was in Nicaragua. But now that the people own Nicaragua, now that the people own their thoughts, now that the people own the right to express themselves and speak in Nicaragua, they are no longer Nicaragua's friends. Why?

Because, naturally, Nicaragua silenced Somoza and sent him to hell. We also rejected the U.S. policy that sought to subject us.

Under these circumstances, marked always by confrontation with the aggressive U.S. policy, we have met this afternoon until almost 2000 to speak a little about our economic problems. We are waging the military defense battle very effectively. The economic battle is even more complex. The military defense battle is harsh and violent because it has cost lives. The economic battle is complex, difficult and also has a very high cost for the people; it imposes serious limitations on the people. Maintaining the military battle also entails a high price in terms of both material and human resources. If there were no war, we would have many material resources here. Many of the trucks that the companeros are demanding are not to be used for work or in the factories carrying out products because they have to take combatants to the war fronts. Thousands of combatants who are at the war fronts, who are needed in the productive centers, would be here if there were no war. The military battle, therefore, is connected with the economy and we are waging the military battle effectively. The economic battle is complex, so it necessitates greater efforts on our part.

We will continue this dialogue with you in the next few days, when we will begin a more thorough discussion of the economic plan for 1986. We will discuss it with all the working rank and file -- all the workers, all the peasants, everyone -- so we may better understand our economic problems and the goals of the 1986 plan. We have already mastered the revolution's military defense plan and we must now master the revolution's economic defense plan.

HUMBERTO ORTEGA DISCUSSES DEFENSE, U.S. POLICY

PA031507 Managua Domestic Service in Spanish 1621 GMT 1 Feb 86

[Speech by Defense Minister Humberto Ortega Saavedra at an event to present combat flags to three reserve battalion brigades; place not given -- live]

[Text] Brothers of the National Directorate of the Nicaraguan people's historic vanguard, the FSLN, diplomatic corps, special guests, mothers of our heroes and martyrs, working and fighting people of Nicaragua, companeros: With this central event of the Sandinist People's Army [EPS], today we initiate the combative and operational preparation of our entire Army. At this event we will also present combat flags to the new Jose Benito Escobar, Casimiro Sotelo, and Ricardo Morales Brigades. During this symbolic ceremony we will also dedicate the facilities of our Army's Mechanized Infantry's 30th Brigade.

In the first quarter of 1985, the Army's General Staff suggested to the commanding office, in accordance with the plans of the 3d Military Region -- which comprises the urban and peripheral areas of Managua, the capital -- that among its forces the 3d Military Region should include the three brigades which today received their combat flags, and will now bolster the provisions made to defend the capital. We have already been bolstering these provisions for Managua's urban and peripheral areas. These brigades are characterized by their combative readiness. One of them has been organized as a mechanized infantry brigade. The brigades comprise both permanent and reserve units which include those demobilized from the Patriotic Military Service and former combatants of the well-known BIR [Reserve Infantry Battalion].

This event is taking place at a difficult moment for the Sandinist people's revolution. In recent weeks and months, our government and political authorities have been pointing to the dangerous situation to which the present U.S. Administration is bent on leading Central America.

At various times and places in late December, our revolution's political leaders pointed out elements of the U.S. Administration's interventionist escalation against our country. In those days emphasis was placed on the U.S. Administration's delivery of Redeye antiaircraft missiles to the mercenary forces in an effort to save them from our armed people's systematic harassment. In recent days, the interventionist aggressive escalation about which our revolutionary government has been informing our people and which it has been denouncing to the world, has been further intensified. The U.S. Administration, represented by George Shultz, recently received the so-called Triple A, the leaders of the U.S. mercenary forces -- [Adolfo] Calero, [Alfonso] Robelo, and [Arturo] Cruz. On that occasion, as evidence of the interventionist escalation against our country, Mr Shultz ignored Nicaragua's legitimate government. Shultz' meeting with the top leaders of his mercenary forces, quote, coincided, unquote, with Msgr Obando's visit. All this sought to justify to the U.S. Congress, as well as to persuade it, concerning the resumption of more direct and overt military aid for their mercenary forces, which are currently experiencing the grave symptoms of the strategic defeat that our people have been inflicting on them.

While the U.S. Government seeks to ignore the legitimate Nicaraguan Government, the provocations staged mainly from the Costa Rican border in the form of constant attacks on our border spots have been intensified in January. It must be noted here that in their insolence the mercenary forces have even used pirate planes to harass our border post in the area of La Penca toward the Atlantic Ocean, that is, on the San Juan River toward San Juan del Norte. This more overt and insolent use of the neighboring territories to carry out mercenary activities against Nicaragua is also bolstered by the mercenaries' intense mobilizations of all kinds in their main base, Honduras, and from some air bases in El Salvador, from where they bring in supplies by air to the mercenary forces harassed by our people.

Also, as part of this interventionist U.S. escalation against our country, our state and military intelligence bodies have discovered that chemical bacteriological experiments are being conducted in Honduras near the Nicaraguan border which they probably intend to use against Nicaragua's economy and people in the near future, within the framework of the current interventionist situation.

The U.S. maneuvers in Honduras are increasing. Until May 1986, 10,000 U.S. soldiers and officers will be threateningly and provocatively present on Honduran soil with the "Terencio Sierra" maneuver. Not satisfied with this type of political and military activity, the U.S. Government is already preparing the "Big Pine IV" maneuver in which the participation of naval equipment and a group of aircraft carriers is being considered for the first time. This would further exacerbate the already tense situation marked by war and political crisis which the area, and especially our people, are currently experiencing as a result of the obstinate and unjust position maintained by the warmongers in the Pentagon and the White House.

Our country's intelligence bodies also report that in the next few days a ship sailing under the Chilean flag with a Uruguayan crew, contracted by a South American commercial company, will arrive in Costa Rica with war materiel to supply the mercenary forces operating against our country from the south. Around the same time, in mid-February, thousands of pounds of weapons will arrive from the United States to try to reactivate the mercenary forces from Honduras, following the strategic defeat that our armed people have inflicted on them.

It must be noted that the aid that President Ronald Reagan has requested for those mercenary, counterrevolutionary arms in 1986 is more than the military aid that will be provided this year to either Panama or Guatemala.

With its irresponsible behavior in the region, the U.S. Government is not only continuing to bolster the policy of state terrorism against our working people, but it is also preparing to maintain a sixth independent army in Central America, or rather a seventh army, if one includes Panama. Its purpose is to pressure the Central American armed forces and governments into submitting more docilely to its aggressive plans of domination against our peoples, and especially against Nicaragua.

The United States has given over $4 billion in military aid to Central America during the last 5 years. Most of this military aid has gone to the puppet Salvadoran Government, with Honduras in second place. Even democratic Costa Rica has received over $800 million in aid for the purpose of destabilizing the Costa Rican people's democratic and civilian-oriented traditions and pushing the Costa Rican Government toward the U.S. adventure against Nicaragua.

With this information we have sought to stress the gravity of our revolution's situation due to the U.S. Administration's refusal to accept Nicaragua's popular, democratic, and Sandinist reality in order to proceed to a political process of negotiation leading to the peace for which we all yearn. Despite what is stated in the reactionary propaganda campaign led by imperialism's transnationals, it is not the Nicaraguan Government or the Nicaraguan people who oppose a just and honorably negotiated political solution. The ones opposing it are the ones who invaded Nicaragua with William Walker in 1855 and 1857; the same ones who yesterday intervened but were answered by the fists of Benjamin Zeledon and Augusto Cesar Sandino; the same filibusterers who upheld Somozism; they are the ones who today are bent on once more placing the exploiters -- who with Somoza are responsible for Nicaragua's crisis, backwardness, and poverty and for the blood shed by our people to achieve final liberation -- at the head of Nicaragua's power structure.

However, our working people, who are not intimidated by the U.S. Government's threats, continue advancing in the process of strategically defeating the mercenaries. Today, 1 February, as we begin the combative and operational preparation of our Army, and the Sandinist directorate faced the workers and laborers who have taken up the rifles with which to achieve freedom, 340 mercenaries have already been wiped out by our brave fighters in January, [applause] 52 mercenaries have been captured by our Armed Forces, and 103 civilian victims -- workers, children, women -- have resulted from the activities carried out by Shultz and Reagan's mercenaries.

The process of strategic defeat of the mercenaries does not stop, and neither does the military preparation, organization, and strengthening of these units, these men, and these fists, which will victoriously confront the U.S. intervention, should they decide to launch it. [applause, shouts of "People's power!" "People's power!"]

Our revolutionary government, as we very well know, does not rest for a single moment amid the intense diplomatic and political work it is carrying out in search of political negotiation and peace. However, one should not forget for a single instant or moment that Nicaragua's peace policy is based on the Nicaraguan Sandinist people's morale and on these weapons. [applause]

This year Nicaraguans celebrate the 25th anniversary of the FSLN. [applause] Twenty-five years ago we were but the embryo of this great Army of armed masses that we are today. On this 25th anniversary of the forging, creation, and foundation of the FSLN; on this 25th anniversary of the forging of the Nicaraguan people's vanguard detachment; on this 25th anniversary of our vanguard organization, the FSLN, we the officers, the noncommissioned officers, and soldiers of our Army feel more strengthened and morally committed to do our duty by our homeland, and to comply with the interests of the people's revolution.

We will emulate our heroes, our leaders in the FSLN, the vanguard detachment, with the national directorate at the head of that detachment -- a detachment that began fighting with nails, fists, .38 revolvers, and mended rifles. With this historic vanguard, with the Sandinist Front National Directorate and its revolutionary government, our Armed Forces will be stronger, more honorable, more combative, more Sandinist and anti-imperialist. [applause, slogans]

The reserve military service process has made the advances we are witnessing today in this ceremony possible. Implementation of this process began last year and the vital role played by the workers and their leaders, the unions, the work center leaders, and the revolution's political and mass structures must be noted. This has brought about the formation of the brigades we are presenting today. Our workers' creativity during this process has been notable, and as an example we would like to mention the Enabus [National Bus Enterprise] workers, who established registration boards last year not only at their work places, but also established mobile registration boards, which made it possible for the drivers to register in order to create these units. Today, these units include thousands of workers, laborers, technicians, and professionals not only from the people's ownership sector, but from the country's private enterprises as well.

Tens of thousands of Managua residents between the ages of 25 and 40 complied with the civic duty of registering in the reserve military service during October and November 1985. In January 1986, the reservists summoned to comply with their civic duty and show up at the corresponding military boards to receive their assignments fulfilled this duty.

This entire process has made it possible for the newly-created reserve units to better fulfill the various plans stemming from the revolution's military doctrine and its corresponding strategy for repelling, bogging down, and prolonging a U.S. intervention, should one take place.

During this first period of Army training, it is necessary to give priority to the combative preparation of these reserve units where the reserve officers, the squad chiefs, and the lower ranking specialists, as well as the combat, artillery, combative, material preparedness units, and others play a very important role.

With more dedication, organization and efficiency, we will fulfill the defense plans ordered for us. We will do our duty through our historic vanguard, the FSLN. As you have sworn, we will do our duty with our workers' sweat, and with the blood of our workers, peasants, professionals, and technicians, who are rebuilding the homeland amid the bullets Reagan's policy of state terrorism sends against our homeland every day. We will abide by our unyielding oath, Free Fatherland or Death, and we reaffirm our position that victorious Nicaragua neither sells out nor surrenders. [applause]

CIA, FDN ALLEGEDLY FORMING INTERNAL FRONT

PA032120 Managua Radio Sandino in Spanish 1750 GMT 3 Feb 86

[Text] The U.S. Central Intelligence Agency, the CIA, and the FDN [Nicaraguan Democratic Force] are trying to create an internal front in northern Zelaya to hinder the peace negotiations being held in that area of the northern Atlantic region. This charge was made by Subcommander Jose Gonzalez, delegate of the Interior Ministry in Special Zone No. 1, who stressed that U.S. imperialism has unleashed a slanderous campaign to hinder the autonomy process.

The military officer said the CIA and FDN plans include the murder of Indians who participate in the peace dialogue on the Atlantic coast.

He indicated that imperialism plans to carry out a vast mercenary plan to affect the communities on the banks of the Coco River in order to prevent the establishment of tranquility among the Indians living there. Subcommander Gonzalez indicated that the FDN, together with groups belonging to KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous People] have united in an attempt to increase their activities and that they are forcing the young Indians to take up weapons to fight against their brothers.

COSTA RICA ELECTION RESULT 'COMPLICATION' FOR U.S.

PA040449 Managua Radio Sandino in Spanish 0000 GMT 4 Feb 86

[Text] Costa Rican political observers were of the opinion today that the decision of the Costa Rican people to elect Social Democrat Oscar Arias Sanchez to the presidency is an unexpected complication for the interventionist strategy of the United States in Central America.

The Reagan administration had harbored all hopes in the victory of Social Christian Rafael Angel Calderon Fournier, a young 36-year-old ultraconservative attorney, who is openly in favor of breaking relations with Nicaragua and undermining the peacekeeping efforts of the Contadora Group in the region.

'CHRISTIANS' PROTEST CARDINAL'S 'SUPPORT FOR U.S.'

PA031839 Managua EL NUEVO DIARIO in Spanish 30 Jan 86 p 10

[Excerpts] Cardinal Miguel Obando y Bravo's open support for Reagan's policy of aggression in Central America is meeting with opposition from an increasing number of Christians throughout Nicaragua. The Christians have sent a letter to the cardinal recalling the Church's call for renewal, which supports the peoples' right to liberation.

The text of the letter to Cardinal Obando follows:

Your Eminence, Msgr Miguel, Cardinal Obando y Bravo, archbishop of Managua:

A group of Christians from the various Nicaraguan regions met today. We have been examining our role within Nicaraguan society and the revolutionary process for some time, aware that our people are currently suffering the consequences of a war President Reagan has imposed on our country. We are called upon to convey the gospel's comforting message to the people and the hope that must emanate from Christians as they joyously give of themselves to serve others.

The Puebla document (point 792) vests in the laity a special political role which compels us to defend man's dignity and the rights of the weakest and to work for peace and the establishment of more just and fraternal structures.

We have taken great offense at the campaign in which you are currently engaged in the United States to support President Reagan's policy and the handing over of millions of dollars to the counterrevolution.

With great sorrow, but with the love that unites brothers under one faith, we must advise you that your policy of unwavering support for the U.S. Government openly places you in a position that contravenes the Nicaraguan people's interests and bleeds and brings suffering upon the poor.

We ask you to heed our just demand in the name of the gospel. Meanwhile, we will continue, united in prayer, to ask that peace will once again reign in Nicaragua.

Signed: Nicaraguan Christians

P.S. We decided to release this letter to the press based on our desire to serve the Church and in order that the Christian community may extract a message from it.

EL NUEVO DIARIO editorial note: This letter is signed by 105 Christians.

UNO ON FSLN'S PROPOSED MEETING OF AMERICAN PARTIES

PA042121 Panama City CRITICA in Spanish 3 Feb 86 p 18

[By Carlos J. Nunez L.]

[Text] An international dispatch datelined Managua contains a statement by one of the nine FSLN Commanders, Bayardo Arce. In it, Arce comments on the invitation extended to the 93 political parties on the American continent "that have adopted an independent attitude" regarding the U.S. policies against Nicaragua. Commander Arce added: "Likewise, the liberation movements that have gained legitimacy" have been invited, such as the Colombian and Salvadoran guerrillas, among others.

Because of this statement, Alvaro Altamirano, the Nicaraguan Opposition Unity, UNO, representative in Panama, has come to CRITICA to say that the fact that Nicaragua extends official recognition to the Colombian terrorist movement is "outrageous and offensive to Colombia (a member of the Contadora Group). [no closing quotation marks as published]. "I do not know how President Betancur is going to react to this new offensive, which is part of a long chain of Sandinist offenses against Colombia."

"I suppose, and it ought to be so, that the Contadora Group will protest this disdain and mockery of international law with which the Sandinists have responded to the appeals for peace made by the Contadora Group."

"This confirms the links between them that have been reported, in the sense that Nicaragua is a center for shelter and logistical support for all the guerrilla movements on the continent. It also shows that the same adventure that Fidel Castro embarked upon more than 20 years ago, to create guerrilla movements, is still considered feasible."

"I am also surprised by the announcement that former Venezuelan President Carlos Andres Perez will attend the meeting because this will give a seal of support to these subversive movements." Altamirano concluded by saying that "some of the members of the FSLN National Directorate (the nine commanders) are in favor of negotiations with the UNO, which is directed by Adolfo Calero, Alfonso Robelo, and Arturo Cruz. However, the 'hard liners' do not want to negotiate; they are even willing to confront all of Central America in order to remain in power. My opinion is that Fidel is in favor of negotiation."

THIRD COMMUNIST PARTY CONGRESS OPENS 4 FEBRUARY

Opening Session

FL041452 [Editorial Report] Havana Domestic Radio and Television services in Spanish at 1351 GMT on 4 February begin live coverage of the Communist Party of Cuba [PCC] Third Party Congress held in Havana's Palace of Conventions and carried on all radio and television networks.

The opening TV shot shows a Tele-Rebelde announcer inside the Palace of Conventions. The announcer gives a brief description of the delegations which have arrived for the congress as the camera pans the audience, showing a full auditorium. The announcer reports that after the opening remarks, President Fidel Castro will deliver the main report. The main report will be rebroadcast at a later time, the announcer adds.

The announcer reports that there will be a recess during the opening session and that the sessions will continue through the afternoon and possibly early evening.

At 1358 GMT the camera gives a wide shot of the audience standing and applauding as Fidel and Raul Castro enter and walk to the dais. The Cuban national anthem is played while the camera pans the stage and the dais. Vilma Espin is shown sitting behind Fidel and Raul Castro. Sitting at the dais with Castro are Fabio Grobart, Armando Hart Davalos, Carlos Rafael Rodriguez, Jesus Montane Oropesa, and Jose Ramon Machado Ventura, who is sitting on Castro's right. Behind the dais, the camera shows pictures of communist leaders Karl Marx, Lenin, Jose Marti, Che Guevarra, and others mounted on the wall.

At 1400 GMT FAR Minister Raul Castro begins his speech introducing the congress. He reports that 186 delegations from various countries are present at the congress. "We assume the responsibility of evaluating the progress of our country," he says. He reviews the goals and topics that the congress will cover. Of the delegates selected, he says some are workers, others are in service-related jobs such as teachers, some are FAR representatives, while others are university-educated, and others still are internationalists. At 1408 GMT, Castro says: "I declare the Communist Party of Cuba Third Party Congress inaugurated." The audience gives him a standing ovation.

At 1409 GMT, Esteban Lazo, alternate Central Committee member, the president of the PCC Congress Council of Representatives, who is not identified by name, announces that the council has tentatively analyzed and approved the documents the congress will cover. This includes, he says, the basic program which defines each session; the congress rules, which establish guidelines and length of time for sessions; leadership bodies; work commissions; categories for participants; procedures for speaking; voting guidelines, and guidelines for the delegations; rules for electing officers such as members and alternate members of the Central Committee and the Secretariat; as well as presidents and members of the congressional commissions.

Lazo concludes speaking at 1414 GMT and the camera then shows PCC Politburo member and congress President Machado Ventura calling for a vote on the proposals. First, he asks if there is any discussion. When none is requested, he calls for a vote by a show of hands. The camera shows the audience in a wide shot approving the proposals. When Machado Ventura calls for a show of negative votes and abstentions, no one raises their hand. The speaker says the documents have been unanimously approved.

At 1415 GMT, Machado Ventura introduces Fidel Castro, who begins to read the main report to the congress.

Raul Castro Address

FL041546 Havana Domestic Service in Spanish 1400 GMT 4 Feb 86

[Address by Raul Castro, second secretary of the PCC Central Committee, at the opening ceremony of the Third PCC Congress at Havana's Palace of Conventions -- live]

[Text] Comrades, as the culmination of 5 years of fruitful labor on all fronts of the revolution, and after a broad organic process that included all the party's requests and mobilized the energy, creativity, and intelligence of the Communists and of the entire people, today the Third PCC Congress begins its labors.

We are pleased and honored by the presence of 186 delegations from brother Communist parties, revolutionary movements, national democratic parties, socialist parties, and progressive organizations from the entire world, and others that will arrive soon in addition to those attending as observers. Also present is a group of outstanding personages from the world communist and revolutionary movements.

We greet all of you with a fraternal embrace. In the name of our party and people, we thank you for your gesture of solidarity in attending our third congress.

We delegates, representing more than one-half million Communists grouped into almost 40,000 organizations, take the responsibility for studying and evaluating the progress made in building socialism in our country, approving the strategy that will give continuity to this process, and ratifying the goals established for economic, political, and social development during the next 5-year period.

The congress will also discuss the draft of the first program of the PCC, which will later be studied by party organizations, the Union of Young Communists [UJC], the workers, peasants, and students, by FAR and Interior Ministry [Minint] combatants, and by the entire people, and then approved by a special session of the congress at the end of this year.

We will also study and approve the economic and social guidelines for the current 5-year period, enriched by more than 13,000 suggestions that express the responsibility, maturity, and support of our people for all and every one of the tasks of the revolution. Draft modifications of the statutes of the PCC summarize the experience obtained during these years and expresses the will of all the grass-roots organs and organizations, which provided valuable recommendations.

Other documents of transcendental importance will be studied that deal with perfecting the system of economic management and planning and deliberations on the political-administrative division of the country, subjects that have gained precision and depth corresponding to the experience acquired since they were adopted.

With the third PCC Congress, a stage of intense preparatory activity also culminates that included the assessment and elective processes of the grass-roots organizations and the intermediate-level management organizations of the PCC, the work done by the Central Preparatory Commission, the activity of the Central Committee plenums, and the tasks performed by state organs, mass social organizations, and by all the people with a view to saluting properly this historical meeting of Cuban Communists with concrete, encouraging results.

In the delegates elected to attend this congress, the most advanced, revolutionary, and responsible of our society is represented -- workers, peasants, scientists, intellectuals, and combatants. In the daily unselfish performance of their social activities and in the fulfillment of their political responsibilities, they have performed so meritoriously that they are worthy to represent the organized vanguard of our workers at this meeting.

Of the 1,790 elected delegates, 536 are workers, and 24 are peasants; 134 are workers directly linked to services, scientific activity, education, and other social tasks. Two hundred twenty three delegates are FAR and Minint combatants. Eight hundred seventy four are university graduates, and 442 are high school graduates. Among the delegates are 432 party founders and 563 comrades who have given internationalist aid to other peoples of the world.

Of the total number of third congress delegates elected in provincial assemblies and at the party conference of the FAR and Minit, at places of work and at military units with exceptional achievements in their specific activities, 1,784 comrades are present and 6 are absent for justifiable reasons.

Because the required quorum exists, and with the undying determination that Comrade Fidel has always inculcated in us to be faithful to the principles, and worthy of the respect of our heroic people, I declare the Third PCC Congress to be inaugurated. [prolonged applause]

ALGERIA'S ABDELGHANI, DELEGATION AT PCC CONGRESS

LD041753 Algiers APS in English 1325 GMT 4 Feb 86

[Excerpts] Havana, 4/2/86 (APS) The Third Congress of the Cuban Communist starts today in Havana with the participation of 1700 delegates and more than 200 foreign guests, the press agency "PRENSA LATINA" reported.

The Algerian delegation present in the congress is headed by Mohamed Ben Ahmed Abdelghani minister of state to the Presidency.

FIDEL CASTRO 31 JANUARY PEDAGOGY-86 CONGRESS SPEECH

FL011446 Havana Television Service in Spanish 0252 GMT 1 Feb 86

[Speech by Cuban President Fidel Castro at closing ceremony at Pedagogy-86 Congress, held in Havana's Karl Marx Theater on 31 January -- live]

[Text] Distinguished participants in the Pedagogy-86 Congress: This is the only mistake this congress had made, that is, to have me make the closing remarks, because I have not attended the congress. I have not participated in the congress because I have had to devote all my time to the preparation of the main report of another congress we will hold [applause] on 4 February. That one was initially scheduled for the end of 1985. We knew the enormous importance of this education congress. Later, when we were forced to postpone our party congress due to a delay in the preparation of the materials for just a few days before the Pedagogy-86 Congress, it created numerous problems for me and, at the same time, a painful situation because I had a very special interest in this congress. I would have preferred very much to have an active participation in it.

I do not like to make a closing speech or closing remarks if I am not 100 percent well-informed on what has taken place, all discussions, if I have had no participation, if I have not had an active participation. Lastly, I am somewhat ill, I have been suffering from an imperialist case of flu, the type [laughter] that is going around. [applause] It is a pro-Yankee virus. [laughter] It has made my life impossible in recent days. I am not as seriously ill as they were saying. I learned a few weeks ago that I had died, that I was very dead. [laughter] I almost attended the funeral. The news circulated in the United States, and from there it went around the world. I said to myself: If they are saying this, I am not going to deny it. That way their reputation will be hurt once again. [laughter, applause] They confuse their wishes with reality. It will be a test for me, let us see if my voice does not fail me tonight. That is why I am explaining all this and promise not to be very long.

I believe I have no topic left for my speech that has not been raised in this congress. I asked [minister of education] Fernandez what he had said in his lecture, which was enjoyed by all those attending the congress. I asked him what he had left for me to say, if there way anything left that had not been raised by him. I reviewed Fernandez' lecture and saw there was almost nothing to say. If my presence is to be justified, and because of the participation we have all had in Cuba's education process, which could be called revolution of education in Cuba, I could convey some of my impressions, some ideas, some of my experiences, some memories of what has made possible all the gains, or could be said made possible by the progress we have attained. Fernandez made a long introductory speech -- I say long, but I believe it was short -- outlining all historic data of what took place in Cuba. He explained the first steps taken. If I would refer to important moments of all this process, I would have to begin by pointing out the creation of 10,000 classrooms when the revolution came into power. That was the first rapid step taken, and I believe we delayed in taking it.

The revolution came into power in January when the school term had already begun. There was not much we could do then. We were at a point, the first weeks and months, of organizing the new revolutionary state. We were beginning a completely new experience for which we knew we did not have sufficient experience. The only good thing in our favor was that we were aware of our own ignorance and our limitations, that we were undertaking a very difficult task, even though we felt assured and trusted that we would be able to move forward. That path was not an easy one and was not free of difficulties.

I must say that in those days, even though we had many ideas regarding education, those ideas were very far from being perfect -- because there will never be any human work that is perfect. However, they were very far from the ideas we have today. We were aware of the great crisis in our country's education in those days as well as other Latin American countries. We were aware of the need to make a great effort, and we had talked about it before the triumph of the revolution. There were many persons talking about the catastrophe affecting our country's education, including many politicians, except that when those politicians joined the government, they would not solve any problems. I would not dare say they would not solve them because they did not want to do it, it could be because they could not do it.

Maybe [words indistinct] but was coming since the beginning of the Republic, that oppressed and neocolonialist Republic. People talked about the tragedy of education; about the stolen money, embezzlements, the lack of schools, high indexes of illiteracy, we were all aware of this tragic situation. There was talk about the need of a university reform, this had been discussed about for a long time. In Argentina and other countries there were talks and efforts were made about a university reform. There were talks about the need of combining education and research, etc.

When we began the revolutionary struggle, we were aware of many of these problems, and we clearly understood we had to face this situation and that we had to revolutionize the field of education. We were already talking about the ideas we had. I even remember that at the Moncada, before going to the Sierra Maestra -- we thought a lot at the Sierra Maestra about what we should do -- I remember that one of the things that we thought a lot about was how we could take secondary, technological, and preuniversity education to peasants. This was easier in the city since there were millions of isolated peasants in the countryside. So the question was, how could we take it to the country? A primary school can operate isolated with only one teacher, a multigrade teacher as we call it who teaches all six grades, but how could we provide secondary education with specialized staff and laboratory facilities?

How could we provide technological and preuniversity education? It was impossible to think about it considering isolated schools. So we were trying to find solutions. This is how the idea came about of creating university cities, rather, educational cities, school cities. We believed almost all provinces needed large schools that would be like cities where children who reached the age to attend secondary, technological, and preuniversity schools could go to. Those were one of the first ideas we had and, in fact, at the beginning of the revolution, we tried to build one of those university cities, we began to build it. I am not saying it was an ideal solution, but we were searching for a solution to the problem of providing mid-level education to the peasant's children. Of course, when the revolution triumphed we found [words indistinct] there were more than 1 million illiterates and the majority were semi-illiterate. Usually, there is a lot of talk about illiterates but little is said about semi-illiterates.

There was a lack of schools in the entire country, especially in the country, although there was a school shortage in the cities. Well, there are statistics, I believe Fernandez mentioned that in 1953, there were 56.4 schoolchildren attending schools. All this is very relatives to the [words indistinct] illiteracy because the situation worsened. From 1953 to 1959 the situation had worsened considerably. The data we have is from the 1953 census. That situation went from bad to worse. The population increased significantly, and there were more and more children without schools and more illiterates in the country. There were many who knew how to sign their name and spell and were not considered illiterate. There were more than half a million of children without schools. So the first effort we made was to create classrooms, actually, not classrooms but to assign teachers to groups. Many times, the classroom was a shade under a tree -- there were no facilities -- or a neighbor's house, or any kind of room was used as a school. What we did was to appoint teachers during the first year. We did this in December 1959. This was when we decided to create those classrooms. If you ask with what money, I would tell you that I do not know because we did not have money. Maybe we applied an inflationary process because at first we did not lack anything. You know that with capitalism there is a surplus of everything. People do not have money to buy anything and after the people have a little money, things start to be scarce. This is what forced us to compensate that inflationary situation and establish rationing. Of course, rationing did not affect [words indistinct] one liter of milk was guaranteed for each child until the age of 7; the essentials were guaranteed to children. We did all this without money thanks to that equalitarian measure we implemented. We avoided black market, large inflation, so don't ask anyone where we found the money to do the things the revolution did during its first years. [Words indistinct] with our own sacrifice, no one gave us loans, no one gave us resources for that and the vaults were empty. [Words indistinct] they began to work or all were given the opportunity to work.

Another thing we did during the early days -- Fernandez referred to it -- was to convert the barracks to schools. Terrific! Marvelous! We are proud of converting all barracks to schools or at least, almost all of them, including the main military fortress called Columbia which we renamed Liberty City. [applause] This was where the coups and main problems were always decided. How naive were we then! You can see the kind of dreamers we were that we thought barracks were not needed. Indeed, we did not need those kinds of barracks. They were placed in the middle of the cities, everywhere. Their main function was to maintain domestic order and to repress the people, but we were far away from the fact that later we would have to build many military installations. Apparently, we were not counting on imperialism since we considered that so far, we thought we could begin eliminating barracks and create classrooms. Later, all imperialist plans brought us to reality and forced us to create an Army who knows how many times larger than that of Batista because our Army is the entire population. [applause]

There were not only 20,000, 30,000, 70,000, 80,000 men as he had; there were millions of men and women in defense activities. Our enemy is not the people, our enemy is the empire, the most powerful empire that has ever existed and that has been blockading and threatening us constantly because it wants to destroy the revolution, in the same manner it is trying to destroy the revolution in Nicaragua, block it in El Salvador, destroy it in Angola, in many places.

We found ourselves necessarily defending the revolution. Fortunately, we were able to defend it without closing schools, without transforming the schools back into barracks. It was a privilege we enjoyed, that is fulfilling the two functions -- education and defense. Fernandez also recalled the creation of volunteer teachers in the countryside. The unemployed teachers at the time were not sufficient, or not all the unemployed teachers were willing to go to the countryside. We organize the so-called movement of volunteer teachers, who were not teachers in many instances, many were third and fourth year high school students. This movement recently celebrated its 25th anniversary. It was created around 1970.

There was another climax later on in the revolution's effort in education, that was the literacy drive. We had more than 1 million illiterates. What we did is that with that trust, that enthusiasm, with that courage of the first few years -- it is still there today but today it has a more solid foundation and a more scientific environment, as the professors would say -- we decided to eliminate illiteracy. We saw in illiteracy a sort of Batista army, or something similar, and they were very similar. So we decided to eliminate illiteracy. If we are asked why we decided to eliminate it in 1 year -- the first country to carry out such a feat -- we would not be able to respond or make any sense. We just decided to eliminate it because it was there, and we had to do it as fast as possible. [applause]

We could have prepared a 10-year plan, as many have done, but it was not something that could be considered a part of the revolutionary temperament. We could not wait that many years and decided that we had to take advantage of the people's and youths' enthusiasm. We were convinced that if we mobilize the students, they would teach, and that was what we did. The students were trained, organized, part of the school term was modified without affecting it much, and 100,000 students were sent out to teach. Part of the task was to go to the mountains. Who went there? The students from preuniversity and secondary levels went. More than 100,000 were mobilized.

Thousands of teachers, workers, [words indistinct] were also mobilized. But, the people's teachers [alfabetizadores] did not go to the mountains. We sent the young students to the most remote places. I believe that all countries under similar circumstances can do the same thing. We mobilized in 1 year. Fortunately, our language is Spanish. If it would have been Chinese, I believe it would have been very difficult to teach everybody to read and write in 1 year. I believe in China it takes years to teach reading and writing in the schools, but Spanish was relatively easy for more than 700,000 citizens who were illiterates. It was a great effort in which more than 250,000 compatriots had a participation. It was a great battle that took place in the midst of an acute aggressive policy by the United States against our country. A policy that entailed the organization of counterrevolutionary bands, such as the ones it now has in Nicaragua -- there it was easy because it has borders, here it was not. [sentence as heard] Through Honduras [words indistinct].

They are so boldfaced that they deny it every day. They deny it. Here they did not have that type of borders. It was the sea. In reality a large part of the arms were seized by us. It did not matter if they came in ships, dropped with parachutes.

most of them were being seized by us. [applause] But the bandits killed teachers, many who were in the literacy drive. This same story repeated itself later in Nicaragua. Many Cuban teachers sacrificed themselves there. Cuban teachers were murdered there by imperialist mercenary bands. At the time we had some 2,000 teachers in Nicaragua.

Later the Nicaraguans trained their own teachers. We helped them, and now they are fulfilling that task. But the bandits murdered teachers, even social workers were murdered in Cuba. There was a certain degree of danger in the literacy drive. Around those days the mercenary invasion in Giron took place. For us the greatest satisfaction was that not even during the invasion did the literacy drive stop. We decided that if a war was unleashed, those youths would be better off in the mountains. Not only did the drive not stop, but it continued in the midst of that threat. [passage indistinct]

Taking into consideration the levels of experience and organization existing at the time, I believe it was a great feat to carry out that literacy drive. After the literacy drive, we had a follow-up. We could not be satisfied with the drive alone, because if we did not have a follow-up some of those who had been trained could lose what they had learned and go back to being illiterates again. That is what we called the follow-up plan, and later on the worker-peasant education.

Fernandez also spoke about that, and afterward came the polytechnical battle [words indistinct]. By the end of the 60's the battle began for the sixth grade education. The follow-up plan had good results. In essence that is what took place in the 1960's.

What was the result of that effort? All children had classrooms and teachers. How was it done? Those 10,000 teachers would not suffice, and not all of them went [to the mountains]. Many of them were trained in the cities and were not trained to fulfill such duties on the mountains and the countryside. It became necessary to mobilize many citizens, housewives, and students having a certain degree of schooling and give them some training so they could perform as teachers, give them certain courses of study, make them study the methodology, and give them the books to train the growing school population.

This coincided with the triumph of the revolution and there was a certain degree of optimism, the result -- as demonstrated by history -- was many marriages and many births. Do not think that everything was the product of enthusiasm [laughter], as it is said, sometimes it was because there was no television, no radio, no electricity. No, that was not the only reason. Some other things were also missing, such as contraceptives. [laughter] I want you to know so that you may enjoy it and laugh at the expense of our bitter experiences. When commercial stores were nationalized, many people who did not know what they were doing began buying and selling what the country needed. They did not even know what this was all about.

There is a truth I will tell you here very intimately [laughter] There is an anecdote that is not made up. Someone said: One has to wear this, that, or that other thing, and that so many diaphragms had to be used...[laughter] as contraceptives. To tell the truth, someone bought a large quantity of diaphragms and automobiles. [laughter] It is truly unbelievable the many things that can take place in a revolution. [laughter] That is what ignorance brings about. I do not know the size of the diaphragm in an automobile, but I know this story is true. [laughter] I do not know what they did with all they purchased, if they used it or re-expected it, but all that contributed to the demographic explosion. Children were born in industrial quantities and in assembly line fashion. [laughter]

Unfortunately, this occurs routinely in many Latin American countries.

There was a time that the number of children reaching the preschool age was large, some 200,000 or more, I have no exact figures. We needed schools for all these children. We also needed teachers. This problem repeated itself later on. All this took place between 1960 and 1970. Along with this, we made a mistake. [Words indistinct] at a certain time, we were concerned, troubled by the fact that the teachers did not want to go to the mountains. We reached the conclusion that [passage indistinct].

The first big school for teachers was built on the mountains. [passage indistinct] All students wanting to become teachers had to spend their first year there. Many of them did not want to leave their families, or refused to go there. What was our error? I believe we underestimated man's consciousness. Perhaps, we imagined, as a result of our guerrilla experience in the mountains, that the best manner to teach the students was by making them experience the work in the countryside, life in the countryside and mountains. [passage indistinct]

The number of teachers who were graduating [leaves thought unfinished] many wanted to go, but how many could adapt to such conditions? Evidently, we did not take into consideration that during those days students entered the teacher-training school with a sixth grade education. What can a sixth grade child be at 12, or 15 years old? With 2 years in that level of schooling, he could be 14 years old. What was admirable was the relatively high number of persons who were able to endure the training. Many wanted to go, thousands and thousands. But, of course, the families that were willing to send them there were not many, but there were many children. Despite the many who were going, those who could not take it were fewer. Later on, they went to another mountain school located in Havana for the last 2 years.

This caused a delay in our teacher-training program. What is important is not where man lived but what he has inside of him, what is instilled in him. One day we realized that we wanted to have all the teachers we needed for that enormous mass of students, other types of conditions and other ways were needed. We had to build new, modern, large teacher-training schools. Some of them are big enough for 4,500 students, such as the Salvador Allende School. They had to be built in the cities.

We decided to recruit the students as interns. Peasants from the mountains could attend. It is a different story when they come from the mountains to a school with all all the students need provided to them. When you send a child from the city to the mountains it is different. We could trust the formation. Thousands and thousands were registered. At a certain point in time we had 35,000 students or more registered in the teacher-training schools. But, these were excellent buildings that had to be built together with many other school installations. [passage indistinct]

Never again did we run short of teachers who were willing to go to the countryside. This is a demonstration of how wonderful it is to come up with good ideas. We never have a lack of teachers not only willing to go to the countryside, but willing to go to any country. When it became necessary to go to Nicaragua under very difficult conditions [applause], we asked and 29,000 responded. That was in 1979 or 1980. Some 29,000 volunteered to go to Nicaragua. We only needed 2,000 and they were going to very difficult places. Sometimes they had to walk 3 days to get where they were going. They lived there with the peasants. There was no lack of teachers to send to Angola to teach the children under very difficult conditions.

But there is something else that is more demonstrative of the power of the ideas and this is that when some of those teachers were killed, then 100,000 more teachers volunteered. [applause] All volunteered.

We had enough teachers not only to go to our mountains but to go to the mountains of any other country [words indistinct]. But time went by before we could say that all our teachers had degrees. So in 1970, although the number of primary school students amounted to almost 2 million -- that included those who were behind in their studies, plus the large group who was promoted, and those who were enrolled a little earlier -- you can figure out the amount of teachers we needed. Sometimes in the countryside one teacher had five or ten pupils because they lived in an isolated place. Others would have 20, 25, or even 30. There was a case in our mountains that a teacher was giving classes to her five children. She was her own children's teacher and was paid for it. They live in a very remote area. We had a large number of teachers; they were over 100,000, but 70 percent of them have no degrees. They were educated, had a certain educational level, but did not have degrees. That demanded an effort to provide courses for those teachers aimed at improving their education and obtaining degrees.

The Education Institute [Instituto de Superacion Educacional] which used to have a different name [words indistinct] all this happened in the 1960's and we had this large amount of students in the 1970's. This is when a big jump is produced and [words indistinct] no, the richest in experiences, in progress, was the decade of the 1970's, between the 1970's and the 1980's. What happened in that decade? I still have to point out that during this previous decade institutions that did not exist were created such as the professional technical education, special education, and child care centers. Those are new, those are from the 1960's.

During the 1970's we confronted the following problems: Seventy percent of primary school teachers did not have degrees; we had a mass of children who were going to sixth grade and who begin to graduate from sixth grade. We were going to have the problems we had with those of primary schools with those that were reaching mid-level. We either had to find a solution to that problem or educational development was going to stop. That was the situation during the first years of the 1970's. How were we going to solve that? Fortunately, the country was more experienced, more organized, [words indistinct] and we began to find the answers to the need for educational installations for the huge masses that arrived to secondary levels, to seventh grade. I want you to know that there were certain times during those years, of that decade, that only 2,000 high school students graduated in the country since there were groups of students who were going to study to be teachers, Air Force students, students for many different specialized areas. There was a time when we hardly had high school graduates to enter the university. The relatively small mass of students at that level was reduced. The lack of preuniversity school graduates contrasted with the needs for university graduate professionals. During that decade we already had the idea of the work-school program, not in the way it would be designed later but by using part of the school time to participate in productive work. This is how the school in the countryside program in which a youth voluntarily -- as it does today -- went as much as 6 weeks to the countryside to perform agricultural tasks. So in that decade, we begin to combine education and work. Ideas had progressed, they had evolved, and during the decade of the 1970's -- considering that many of those students that would attend the basic secondary school were students from the mountains, from the countryside -- we thought it would also be beneficial, maybe more so, for the students from the cities -- we began to build basic secondary schools in the countryside. Later, preuniversity schools in the countryside were created. It is possible that you may have been taken to visit some of those kinds of schools.

I tell you that it was a wealthy and fertile time in ideas and initiatives. That was the time when we begin to build all the teacher training schools we needed. Presently, we have 20. We began to build the first vocational schools. The idea for those schools came from the scientific-technical interest circles that had developed and also from the monitor-students.

We wanted for those students who had excelled for their interest in science, technology, or monitors or outstanding students, to have a center where they could study when they reached the seventh grade. This is how they were created in each one of the former provinces. Large schools were built; three of them have room for 4,500 students and 2,500 students in smaller provinces. They are large vocational schools in which the students were admitted according to their record after they graduated from sixth grade. This is how we made room for over 20,000 students, approximately for 24,000 students in those vocational schools that were built in every province. During that time, tens, hundreds of technological schools or polytechnical schools, as we called them, were built to train mid-level technicians and skilled workers. Child care center schools, schools for physical education teachers, art vocational schools, military vocational schools -- for those students who wanted to study military careers, which were need in mass because of the problems I mentioned earlier, which forced us to develop defense -- were created.

Sports training schools were created. They are very good installations that were attended by students who had shown special aptitude in sports. In these schools they continue to attend normal courses of study as well as training in special installations for sports. There is a great variety of schools. I am not sure if I have forgotten to mention some of them. For example, there are the polytechnic schools. There are a great number of all types of schools for intermediate level of a great quality. Hundreds of those schools were built. The construction was excellent. Construction brigades specialized in schools were organized. This solved a great problem.

Who were going to be the professors at those intermediate level schools? Students attending the school of education at the universities were just a few thousand. There were not enough and would never be sufficient. Around 80,000 professors were needed for the intermediate level. How could we solve that problem? It was more difficult than to improvise teachers for first, second, and third grades. But an idea emerged, because necessity is the mother of science, someone said. It could also be the mother of the ideas. A problem had to be solved.

Then the idea of the Manuel Ascunce Domenech Educational Detachment emerged. Manuel Ascunce was a young man who joined the literacy drive and was murdered in 1961 by the mercenary bands of the CIA. What did we do? There was a relatively large growing mass of secondary level students. During a youth congress, we made a proposal to all students who wanted to become professors.

The importance of the job was explained to them as well as the need we had to solve the problem. Many thousand youths responded affirmatively. That is another lesson that every time we have appealed to the youth, we have had an excellent response. Many thousands and, with them, we applied the principle of study and work, which reached a climax during this decade. The secondary and preuniversity schools in the countryside and polytechnic institutes next to the factories were combining study and work, some 3 hours daily in this activity.

What we did with these students was to combine their courses of study as professors, beginning with the 10th grade, with their work. They were studying, preparing their programs, but lived in the schools, attended installations that were close by those schools in the countryside. It is not the same thing to find a professor for the countryside and to find one for the city. Those students who had the problem began to study as professors and teach at the same time. Because many thousands were registering every year, many contingents were waiting, to the point that we had dozens of thousands students, in the detachment with that system.

In those days was when the uniforms were made for all schools in different colors, among them for this detachment.

TEXT They were combining work with the study for professors. This was not enough. The mass was so big that to the degree we graduated primary school professors, we had to have primary school professors study and act as secondary school level professors. This same thing had to be done for the preuniversity, polytechnic, and technological school professors. Some 10 years were devoted to this process, but we were able to find a solution to the problem.

In this manner an enormous number of very valuable youths joined the branch of education. These were young people who had a long life ahead of them and plenty of time to learn, and they were going to obtain their professor title. All this forced us to prepare future programs, because it seemed to us that the 10th grade was the ideal level to register to study for professor of basic secondary schools. Of course, as soon as we could we changed to the teacher-training schools from six to nine grades as a registration requisite; we required nine grades to register in the teacher-training schools, and 12 grades to register for the educational detachment.

Later on, all this forced us to give the teachers, who had registered with a sixth grade and had studied 5 years, special courses of study to reach the level of those who had registered with nine grades, and those who had registered with 10 grades in order to bring them up to the level of those who registered for professor training with 12 grades. We were albe to fulfill the task and solve the problem.

I mentioned that during that decade the idea of study and work was consolidated. I believe this idea is very interesting. If I have returned to it, it is because I feel that it has a special importance. This idea was discussed over a period of many decades. Marx discussed the idea of combining work with study. A long time had elapsed since the talk about this had begun, more than a century, or around a century. In reality this had never been applied consistently.

They based their idea on the experience they had of what had taken place in Europe, that is, children of 7 or 8 years were made to work 12 or 14 hours or more. They were mercilessly exploited. In many books written by Engels, above all, when he speaks of the life of the working class in England, he explains the merciless manner in which the children were being exploited. That is why the founders of scientific socialism reached the conclusion that it would be healthy, even useful if the education of those children who were getting none was combined with work. He thought it was a more wholesome formation to combine work and study.

But in this case we are motivated not only by a theoretical issue, based on Marxist theory, but also by Marti's ideas. He had spoken about the subject more than once. He was an ardent supporter, and this had no relation to Marxism, it was based on his experience. He spoke about the pen and the book in the morning, and work in the afternoon. We had two great sources of inspiration for this idea of combining work and study. In addition, we were convinced that it was the correct formula because most everybody had been interned in schools and knew what it felt to be locked up like in a jail from morning to evening.

Undoubtedly for a child it was a lot healthier and more pleasant. He would be able to assimilate much more if he had a possibility of combining physical work with intellectual work. I really regret that I was not able to attend one of those schools that would have been much better than the type of schoold that I had.

We began applying this principle. Because of our experiences we had also arrived at a conclusion.

If it was internationalized, [corrects himself] if education was made universal, work had to be made universal. If not, we were taking the risk of creating a society of intellectuals in which no one had the slightest idea what manual labor was. Society had always divided human beings between those who studied and those who did not. The minority that did study used to be the privileged one, with the best jobs. Those who did not study had the hardest jobs in the country and the city, everywhere. This is why Marxism referred to making manual labor and intellectual work disappear. It is one of the goals that social revolutions have not reached yet, but it is still a goal to be fulfilled. If 100 percent of the children went to school -- to primary, secondary, preuniversity school -- they did not have any contact with the physical labor. We were going to create a society of intellectuals. This was one of the reasons that strongly motivated the work-study program concept.

On the other hand, our countries are poor. Education is expensive and children can contribute to the economic development of the country, to the production of necessary resources for the country with 3 hours of labor, which is a bearable kind of work. Three hours work is much more bearable for a 14 or 15 year-old than for a 40 or 50 year-old mature man. There is no doubt about it. I believe Bernard Shaw said that one child is capable of wearing out three boxing champions in 1 day. There was a financial reason although that was not the basic objective. The basic reason was training, it was pedagogic. The rest, the financial reason was a result of this educational approach. This concept was used in universities. Later, we made some changes. At the university level we related productive work to production, not to any kind of work. We have applied the concept of productive work to primary schools. All rural schools in the country have an orchard and certain cities have areas for agriculture where children raise vegetables for their own consumption in schools. [words indistinct] until the universities with some changes. We began introducing innovations as we gathered experience in these matters.

Thus, the 1970's were, I repeat, some of the most fertile years in ideas and initiatives that made our present achievements a reality. During that period, it was possible to provide certificates to all primary school teachers. Of course, I have not referred to higher education, which was growing in proportion to the rest of education.

I forgot something very important that Fernandez would not forgive me if I did not mention it here and with reason. It is the continuing education program. It is an effort to continue training. This program began in 1972. He already explained it in detail so I do not have to repeat what that effort was all about. It has brought great progress and enriching experiences. This concept is considered as a continuing educational process.

What else is new in this decade, since we are talking about the 1970's? Great qualitative progress was reached. During the 1970's a study program for teachers was created. We had already achieved or were achieving the task of all teachers having their certifications. We wanted to provide teachers with the possibility of pursuing higher education. Many of them had the opportunity to study to be mid-level teachers. But were we going to be happy with the fact that the majority of teachers would remain as primary school teachers? They were students who were admitted to school after their ninth grade and studied for 4 years. No. According to the concepts we had been developing about the need of a constant improvement we created [words indistinct] This was in the 1970's, at the end of the 1970's, more or less in 1979 or 1980, when the first primary school teachers began to be admitted to the universities. All this, of course, needed great development for higher teachers institutes to train all those mid-level teachers, and moreover, for all primary school teachers to obtain their bachelor's degree.

Last year, in 1985, we had the privilege of graduating the first 2,700 teachers with a bachelor's degree in primary education. [applause] They were going to obtain higher education -- among these first graduates are many of those who were voluntary teachers in the 1960's, those who were fighting illiteracy -- not to teach primary school students, hence, to increase the quality of primary education. We have a large number of students enrolled. Presently, there are 36,000 primary school teachers studying for their bachelor's degree in primary education.

There are 14,000 in preparatory training, and we are not going to stop there. We have learned to be optimistic, because sometime ago it occurred to us to do very difficult things and, fortunately, we were able to do them. We are not going to stop until all primary school teachers have a university bachelor's degree in primary school education. [applause] They will, of course, attain a higher level of education, a bigger salary -- as it is logic, equal to seniority -- there a number of factors to be considered for teacher and professor salaries.

In other words, during this decade this program attained a high degree of attention. The institutes of higher education at the same time were greatly benefited to the degree that today they have 107,000 registered students. You will probably say: that many university students? We talk about 250,000 and we are continuing to do the same thing. There will be all kinds of university graduate students and we will not have any jobs for them, you say. No, fortunately, that is not our case.

More than half of those attending classes, I mean regular students, are around 100,000. The rest are workers attending school. They are studying to continue to do the same work they are doing. [applause] Teachers are studying to continue to work as teachers. These are teachers already working as teachers, nurses already working, factory workers who are already working. We see superior education not just as a tool for money, no sir. If anyone wants to study we have correspondence courses to study history, or any other courses. We make it possible to study for those who want to do it, to raise their level of knowledge and do so consistently. We open the doors of the university for everyone who wants to learn, and we try to make our programs fit our needs by developing technicians. Later on I will explain another concept that gives us a greater range to continue graduating university professionals in large numbers.

For us this was a problem. How were we able to do this? How have we been able to send so many teachers to study? Those teachers study and work. But some of them had registered with 6th grade and then studied 5 years, and when they tried to enter the university they had to be retrained. They had 1 free year with salary to attend the preparatory courses for the university -- that is, free with salary. Later on, the last year of the course is also free with salary.

You will ask: Who will do those teachers' work? Well, another new idea that emerged or was about to emerge and has now become a reality the creation of a reserve of teachers and professors. [applause] We wanted to close the teacher-training schools the day we did not need any more, or limit the students for replacement. Of course, the teacher-training schools will always operate because that is another phenomenon of our society. The teacher has always held a very prestigious position. Every so often someone is asking for teachers.

The mass organizations need teachers; the unions need teachers; the committees for the defense of the revolution need teachers; administrative branches need teachers; the enterprises need teachers; even the party needs teachers. So there has always been a struggle going to hold onto the teachers and train more. The teachers are in great demand by other sectors.

That was one of the problems. But the time could come... [leaves thought unfinished] we have reduced the number of registrations. Now we do not have 36,000. Between 26,000 and 28,000 students are now registered in teacher-training schools.

We have continued to create the reserve. What does this reserve allow us to do? Well, it makes it possible for us to allow the teachers to go to school. We can give them the first year free and the final year also. If it becomes necessary, we can give even 2 years according to the reserves available. We now have a reserve of 8,000 teachers, and we will continue to increase it until we have 11,000. What are we going to do with that reserve when everyone has graduated? We are not going to settle with the 11,000, we will try to increase it to 45,000 teachers and professors. You will ask: what for? We simply say that when everyone has earned a bachelor's degree and all have their diplomas, every 7 years we will give a free year to each teacher and professor so that they may further study. [applause]

I have always told my comrades it is much better to have a well-educated person instead of having that person running around in an office. To use human resources in a rational manner, those citizens must be educated so that they perform really useful tasks. Can there be anything more useful than to make it possible for a teacher to have 1 year to attend the university? Can there be anything more useful than to allow a teacher 1 free year in the last year so the thesis can be prepared? Is this not the best way to use a citizen, a young man, a young woman?

Well, as all contributions have been going the way of education, these ideas have also served other sectors and other branches. If an idea is good or we think it is good, we try to generalize it. Can there be anything better than to have a mass of youths who feel themselves to be useful or who feel that they are making it possible for teachers and professors to study so many years? Those are teachers who will have bachelor's degrees by then, those personnel who will hold college degreees. No one can work 29 or 30 years without studying or only having very little free time because the obligations do not allow it. I believe this will facilitate a process of continuing education for our country's educational personnel.

When we apply this system to all the personnel, from the ones who work in child care centers to the university professors, the well-known sabbatical leave practiced in some illustrious and renowned universities is practiced among some professors, here, we are going to universalize the sabbatical year. [applause]

You will ask, where does the money come from for this? I would say as I was mentioning before, that we do not know yet. But it is a concept and if I explain it as such it is easy to understand. In our society the problem is in distributing [word indistinct] and distribute it well. Anyway, if we had an 18-year old youth who does not study or work, what is society going to do with that youth. Someone feeds that youth. One can figure out the kilograms of rice, meat, eggs, and milk he eats and drinks, clothes and shoes he wears, everything. Somebody [words indistinct] it must be his parents, or he has a pension, someone supports him. If he gets sick he goes to the hospital and one has to provide services for him. He uses the transportation system, he goes to the movies. He costs society. He exists. Society has not been able to incorporate him. In this case we say, would it not be better that he be a teacher, a doctor, a nurse? Any person costs society. In our society the problem is not to produce and redistribute, it is a simple problem of redistribution. [applause]

What happens in other societies? Other societies do not have the 265,000 teachers we have. They have one teacher for every 50 students and sometime even for 60.

In the places where they have one teacher with seven or eight students, they say that it is not profitable and leave the children without teachers. [Words indistinct] even if they let him do nothing and not collect a salary, anyway, it costs society. If we could increase salaries, if we could redistribute [words indistinct]. We operate under the premise of social solidarity; what is produced should be for the benefit of those who have been born in this country. What we have to do is to train them all and give all those human resources a rational use. This is possible if material resources are rationally used. Nobody is going to accumulate millions. No one is going to take money away from the country. You know that happens frequently elsewhere. There is no kind of flight of capital. Our country as an organized society which attempts to use material and human resources rationally can gather material resources, it can train human resources to provide a rational employment. This is where the money comes from, from the 10, 15, or 20 billion. What is the gross national product of the country or what can be called the gross national income. In our system we give in one way and collect in another. Nobody keeps profits here. The wealth is distributed and redistributed. Thanks to this, we have been able to carry out this plan which can be fantastic or can be taken from fantasy. I can assure you that what actually came from fantasy was the idea that things can be done and better than things that have been done. [applause] Life has shown that it is possible.

There are other advances which have been accomplished in education during this decade. It is progress in quality. There are many accomplishments in quality. For example, we have begun to introduce computers, computer education. We began at the universities. We realized we could not fall behind in that field. A preuniversity school of exact sciences was created. We watched that preuniversity school and we thought it was a very good idea. In that preuniversity school, the students followed their regular preuniversity program with reduced hours and, in addition, they received intensive training in physics, chemistry, mathematics, biology, or electronics, intensive training regardless of what he was going to study later, medicine or any branch of biology, depending what he chose. He also received 90 hours of computer training per year, which in 3 years is 270 hours. Those students were admitted to those schools not according to their record but by opposition. It is the first kind of school I have heard of in my life which has to prohibit students from studying because they literally limit their studies. They are not allowed to study everything they want because they simply exceed themselves. It is the first time in my life... not too long ago I asked a teacher about how the school was doing and he said: I have to prohibit them from studying. I had never heard that. That educational system they have will, all those machines, all those resources for the study of computers, the laboratories they have... those language, physics, chemistry, computers laboratories are not excessively expensive. Usually, the ones who teach those subjects are university professors. The success of that school caught our attention and we decided to build two more schools, one in the center and another one in the eastern part of the country, with room for about 500 students. The idea was important. Because we had concluded that a more rational use of vocational schools could be achieved if students were admitted with a ninth grade and not with a sixth grade [words indistinct] instead of schools from sixth to twelfth grades schools from ninth to twelfth were created, that is, preuniversity schools. The best of all was when we arrived at the conclusion -- and I am explaining you the story of ideas, because ideas are born, grow, develop, and they even can grow old, we have to be careful with that [applause] -- that we had to turn all vocational schools in exact sciences vocational schools with the same equipment and with the same program these first exact science schools had. The capacity we have is around 30,000 plus the military vocational schools. And these schools, by the end of 1987, are going to have around 40,000 in these programs of exact science schools. This is going to represent an enormous progress in preuniversity education in the training of students who are going to attend universities.

We are also going to introduce computerization into all pre-university institutions and in all technology and professional schools, beginning with teacher's schools and secondary schools. It will be experimental only in the primary school. We do not want [corrects himself] we want to study this well to see if it is worth using in primary schools. We do not want children to become accustomed to carrying a calculator to add their figures and not learn how to add two plus two.

All these factors are under consideration, all these factors. [applause] We feel very optimistic about the idea of preparing that enormous mass of pre-university students at those levels, especially since we are conscious of the need to develop sciences and technology as fundamental for the future or, on the contrary, we will go backwards. Instead of evolving we will regress and become closer to the monkey.

The difference between the growth of developed countries is great, an abyss. Our countries have to make an enormous effort to catch up with those who are more advanced. It is possible and we are sure that we will achieve this. We have no doubt of this. [applause]

For example, the Unites States is a very advanced country in technology, but ask the middle-level students in the United States, including university students, where Rio de Janeiro is or Ecuador. [interrupted by applause] What is interesting is that while that country's government invades small countries like Grenada, which has an area of 400 sq km and 120,000 residents, intervenes in El Salvador and Nicaragua, the majority of U.S. citizens can be asked where Nicaragua is and they do not know. They are invading countries and they do not know where they are. [laughter] Incredible. [applause] That is incredible, intervening in countries and not knowing where they are. This is tremendous ignorance. They know nothing of the world. It really is a tragedy. You will not see that among Cuban students, not even in primary school. Primary school students know where the countries are.

The United States' educational system ranks 48th in the world. They are just a little ahead of Haiti. [laughter, applause] To rank 48th, the United States has approximately 70,000 people who are completely illiterate and functionally illiterate, which is a new category that has developed. [laughter] That is a lot of people. It would not be difficult for some countries to remain behind.

There are many scientific areas that we are promoting, important specialties, this and that, a lot of things. [applause] One must guarantee the citizens' mental capacity and the heart's intelligence. They can really do many things. I am convinced that they can do many things, fabulous things. We are now entering into the phase of quality, above all quality. We no longer can have quantitative advances, but qualitative advances. We are aware, very conscious that we have many things to do. We do not want all the secondary and middle-level professors to have degrees yet, because we do not have traditions in art, chemistry, physics, and mathematics.

The Latins have a greater tendency for other types of studies, which I am not underrating and with which I greatly sympathize -- history, literature, many things -- but we also need to know physics, chemistry, and mathematics. We need to [interrupted by applause] or on the contrary, those who know physics, chemistry, and mathematics will dominate technology and we will be enslaved. Physics, chemistry, mathematics, and the exact sciences are an instrument of liberation, independence for Third World countries. [applause]

How can we solve the problem of the deficit when there is so much call for other things? We have stressed and spoken of approximately 5,000 primary school teachers that have graduated. After graduation, they continue studying.

We pay their salaries so that they can continue studying. Physics, chemistry, and mathematics, but we will achieve those goals at 100 percent.

I have enumerated many problems so that you can have a clear idea of how all this was done. We learned and made mistakes. Fortunately, there were many successes and above all there was a basic idea for advancement, an awareness of the importance of education.

This has been done in other areas. One could speak at length on what has been done in the areas of health. Education and health are two areas that compete for first place. We have done this also in culture and sports. We have done this in other areas. We have done this in defense for a great length of time out of necessity against the threats of imperialism. We are also making these efforts in economy and without a doubt, all these generations that will be highly prepared will influence and are influencing the economy in a decisive way.

We have still not learned to use to the maximum the human resources we have created, but we are learning quickly and when we know it well, I believe that we will make great achievements in science and technology. We are also prioritizing scientific research and I believe we will go far in that area.

We emerged from nothing, totally destitute in knowledge. Now we have an enormous abundance of these resources. The secret is in knowing how to properly utilize them and I really believe we will do this.

The good experiences in education, we are [does not finish sentence]. We made a medical sciences detail. Now a technological detail is being organized for technical sciences. We have been transferring the good experiences from one sector to another. I was telling you that our efforts had to be in search of quality, or we should say in search of excellence, and we are in shape for this.

A country that in 1970 had 70 percent of its teachers without degrees and is now graduating thousands, and dozens of thousands are studying for degrees in primary education, can accomplish anything. Cuba has a large contingent of valuable education staffs, many of them doctoral candidates in educational sciences, as many of you have learned over the past few days, that dominate the material, the branch and have accumulated experience and have many years ahead of them. One must take into account that our professors are very young and have the world ahead of them.

We can propose quality and be assured that we will reach the areas in which we must continually advance. Now the continuous perfection process begins, the continuous search for quality which will not end. In a meeting such as this, we have provided much stimulation. We are supported by many experiences, much knowledge. We learn much. I am sure that our staffs, our educators will benefit enormously from this pedagogic congress.

My daring to speak here is nothing more than a manifestation of audacity because during the first years of the revolution we spoke about education, strategy in education. We know a little about how to carry out a revolutionary strategy and find a revolutionary objective, but I am aware that next to the thousands of specialty staffs that have been created over the years in our country, one must be careful in speaking about education and that is why I am limiting myself primarily to speaking about strategy, not about the content of education. [applause]

There may have been other topics and some have suggested other topics, but I think the amount of time I have spoken is sufficiently extensive. A Venezuelan, Julio, Dr Julio V (Jotman), how do you say it? [words indistinct by unidentified man] Vigo?

[Castro jokes about the man's name] correct. He was telling me something 2 nights ago and I recalled that when I was beginning, the Alliance for Progress met to combat the Cuban revolution. Education ministers met in approximately 1960 and spoke about the program to erradicate illiteracy in 10 years.

Now one can ask imperialism, where is the program? What were the fruits of that demagogy you used to trample the Cuban revolution and isolate her? Could they finally isolate her? I think this same meeting is a denial of the idea that the revolution can be isolated. [applause] Did illiteracy end in Latin America?

We have quietly eradicated illiteracy. We have struggled for the 6th grade and proceeded to the 7th grade for our population. We have struggled for the 9th grade and the majority of our workers, who work in the country cutting cane, cultivating land, have 9th grade educations for more.

Now our hemisphere is involved in a terrible crisis. Now it is serious. Before, they would say that Latin American problems could be resolved with some measures and some reforms and with an injection of $20 billion. Do you remember? Now what is happening? Each year they take twice the $20 billion they offered. Now what? Now we are more than double the number of inhabitants, double in illiteracy, double in the number of children that die before they complete their first year of life, double the number of sick, and malnourished. Now what do they offer? What do they propose? What is the manner they will use? Will they kill everyone in the hemisphere by hunger? Are they going to strangle them? Are they going to extort from them approximately $400 billion and approximately $40 billion in interest every year, not counting capital flight, unequal trade, protectionism? All this is costing the Latin American peoples $70 billion a year. In actuality they have paid $105 billion on interest and utilities. From this hungry, illiterate, malnourished continent, they have collected $105 billion to be put into the pockets of the capitalistic, developed countries.

I think you discussed this topic of the debt. You know that we are battling against this. Last year, we dedicated much time to this problem. This problem cannot be resolved. Each day the problem is more serious. Each hour it is more serious. It is waiting for a solution. We have spoken much about this. We will not repeat the idea. The Venezuelan had asked me to make a commentary on this topic.

There could be a lot done with what is being paid in interest. I have spoken about the exact sciences school or the pre-university in the country. That school cost us 1 million pesos. I am aware that in our countries one can do more with 1 peso than for $1 dollar in the United States.

There are many false figures because they include taxes in the amount. The same school that costs us $1 million costs them $7 million or $8 million. One needs to be aware what $1 million signifies for our countries, what can be done in any of our countries with $1 million well used.

Each one of those schools has the capacity for 600 students. If the $105 billion that has been paid in interest were to be dedicated to schools, 105 schools could be built. With the $35,000 [as heard] paid in one year, 35,000 schools could be built with a capacity for 21 million students.

I could give you another example. Our health system is very good. Our infant mortality indexes in the first year were lower than those of any other Third World country, lower even than several industrialized countries. Our average life span is 74.2 years. For the approximately 400 million Latin Americans to have a health system similar to Cuba, two-thirds would be left of what they are paying in interests and utilities every year.

With what Latin America pays in interests and utilities, they could have an educational system and do what we are doing in Cuba, if that money was used well, not stolen, did not leave the country, if events similar to what happens in other countries are not duplicated.

The extraction and despoiling to which we have become victims is incredible. We are being chargea for a debt that has been paid many times. The capitalistic, industrialized countries were developed by the sweat and blood shed over centuries by our peoples. [applause]

As I was told, your role here was final in its conclusion. It is not a role of agitator or incendiary. It is not for me to say what has to be done immediately, changes everywhere. I think we are seeing a good moment in Latin America, an important historical moment of the opening of democracy. Now that that opening has been conquered, now that the imperialist plans to keep us downtrodden have failed, the conditions are indispensable for change. Very few are remaining isolated, the Pinochets, (Strongs), Duvaliers.

Those Papa Docs, so loved and esteemed by the Yankees, do not go there, organize mercenary bands, or approve loans in congress to organize the overthrow of Duvalier or Pinochet or the racist South Africans. They [interrupted by applause] approve loans for maintaining genocide in El Salvador, destroy the Nicaraguan revolution. They want health, education for the people but they cannot maintain this. I do not know how they can sustain Pinochet. They no longer can because the Pinochet regime is breaking up. [applause] Pinochet is unraveling as is happening with Papa Doc. No one knows, as Edgard was saying according to the news, there is no fear in making an error. If it did not happen yesterday, it will happen today and if not tomorrow or the day after, it is not far. Yes, clearly the Yankees have him there but they can no longer handle that hot potato. I say if they blow just a little, they will help, but no one wants to. The Yankees say it is the people's struggle which has placed the regime in a crisis which is at the boiling point because there is no other method. The truth is that they can no longer sustain him. Do you know why? Because one cannot sustain what does not exist. That is what is happening to him and the same will happen to Pinochet, if not tomorrow, then after tomorrow. It is not too far away. The same will happen to (Strong).

Few people are remaining because those people cannot even govern the countries. They have become unmanageable. We are seeing a good moment, a premise to the necessary changes, and clearly, we ask if it is possible under the current conditions and existing system. I would say that under the existing system many things can be done. More things could be done than are being done. Many times there are resources and more is not done. Unfortunately, more is not done.

If you ask me if it can be done with the existing Latin American system, I would frankly tell you, "no." I would explain that I am not promoting revolutions, I am not attempting to subvert anyone. But if one day, such as today while we close this event, you ask me if everything that we have done could be done without a revolution, I would tell you with complete frankness, "no." What we have done [interrupted by applause] cannot be done without a revolution.

We thank you dear comrades, dear guests. We appreciate the honor that you have given us by your presence.

The experiences, knowledge, and ideas that you have shared with us can be seen in this magnificent environment, this climate that has been created here. It can also be proved that the methods were capable of achieving something as difficult as a declaration. When politicians met, when representatives and other sectors met here in Havana, we would not make the effort to promote a declaration. Spontaneously, you yourselves have made a good declaration, a just declaration. I think that this contact that we have had should be continued. I think that this experience that we have acquired should be enriched. When any of you in any of your countries, any of the delegations here, want to have an event of this type, an educational meeting in any of the Latin American countries where conditions exist for this, you can count on all our support and all our cooperation. [applause]

We hope that the millions of teachers and professors, because even though we are an underdeveloped country, and even though we suffered many calamities, we nevertheless have the privilege of having millions of intelligent people, dozens of millions of intelligent people in the areas of health, education, in all the areas of human resources [does not finish sentence]. It is a tremendous force. It remains to be seen what can be produced by dozens of millions of intelligent people, what they could enrich, our culture, education, and science. We expect to have the privilege of becoming enriched with the fruit of all your experiences and at the same time complete the monumental responsibility of placing at your availability our modest experiences. Thank you. [applause]

GRENADA

BLAIZE ASKS EDUCATION MINISTER TO RESIGN

FL041820 Bridgetown CANA in English 1709 GMT 4 Feb 86

St. Georges, Feb 4, CANA -- Grenada Prime Minister Herbert Blaize said last night he had asked his junior Education Minister Kenny Lalsingh to resign over the alleged unauthorized acquisition of cement.

Last week Blaize failed to explain what had triggered the first resignation by a senior government official since his party's December 1984 electoral win, saying only that the move would give Lalsingh more time to look after his business affairs.

However, the outspoken Grenadian told reporters yesterday he was asked to quit because of unsubstantiated claims that he was selling government cement which should have been used on community projects.

In a radio broadcast, Blaize said: He, in my view, was guilty of very improper and irregular practices in seeking without authority to obtain for himself, or for the use of his community, materials from public works.

Blaize said that last Monday Lalsingh, parliamentary secretary in the Education Ministry and also a small businessman, persuaded a junior officer in the public service, who was responsible for checking the offloading of cement, to allow him to have 210 bags and sent his two trucks to collect them.

It turned out that this is not the first time Mr Lalsingh collected cement at the point of discharge without the authority of anybody in the Ministry of Works who has the responsibility for controlling this, Blaize said.

HAITI

DUVALIER CLAIMS SUPPORT OF ARMY, POPULATION

LD041533 Paris Domestic Service in French 1200 GMT 4 Feb 86

[Excerpt] Most stores were open again yesterday in Port-au-Prince, proving according to the Haitian authorities that they have resumed control of the situation and that those who wanted to overthrow the regime of President Jean-Claude Duvalier have failed at least for the moment. To prove this, Jean-Claude Duvalier mingled with the market crowds yesterday, and he had soup distributed to his supporters.

Jean-Francois Moulin, a reporter from Radio Suisse Romande, was in the crowd and he was able to ask the Haitian dictator some questions:

[Begin recording] [Moulin] [words indistinct] President, have you come to town here to show that you have resumed control of the situation?

[Duvalier] Absolutely. The head of state is totally in control of the situation.

[Moulin] Today you are a calm man. Are you sure that you have resumed control of the situation?

[Duvalier] That is correct.

[Moulin] The West has always wondered: Were you at the airport on that famous Thursday?

[Duvalier] No, I was not at the airport [words indistinct] threatened, I was at the palace, [words indistinct] came out of the palace [words indistinct].

[Moulin] Are you still sure of having the situation under control? You are not frightened of the crowd [words indistinct] Port-au-Prince [words indistinct]?

[Duvalier] Absolutely not.

[Moulin] Do you have the support of the Army?

[Duvalier] We have the support of the Army, and we have the support of the population.

[Moulin] A last question, Mr President: In Europe people have wondered a lot about a so-called list of military men and civilians whom you are reported to have replaced. Where does that come from?

[Duvalier] You know in Haiti there are a lot of rumors and [words indistinct] people can easily lose their heads.

[Moulin] So, you are today even more certain than ever of being the president [word indistinct]?

[Duvalier] More certain than ever. [end recording]

OPPOSITION PREDICTS DUVALIER'S OVERTHROW

FL041945 Bridgetown CANA in English 1907 GMT 4 Feb 86

[By Gilles Trequsser]

[Text] Port-au-Prince, Feb 4, CANA-REUTER - Shops in Haiti's capital remained closed today despite government calls for a return to work, and an opposition leader predicted the imminent overthrow of President-for-Life Jean-Claude Duvalier. It's no longer a question of if (he) will go, but when, said former Cabinet Minister Hubert de Ronceray.

Political tracts urging a February 12-20 general strike, aimed at overthrowing Duvalier, have circulated in the capital. Duvalier's government, the target of violence which has left at least 70 people dead in the past week, 50 of them in Port-au-Prince, has been urging Haitians to return to work. Most business was paralyzed today, although banks and government offices were open and brightly painted buses crammed the dusty streets as usual. Schools, closed on January 7 due to protests, have not yet reopened. Business has been nil for the past two weeks. Everybody is waiting, a boutique owner in the Petion-Ville residential neighborhood said. The capital remained under a tightly enforced state of seige that suspends constitutional guarantees, including the right of assembly. Opposition leaders said the days of the Duvalier dynasty, which has been ruthlessly ruling Haiti for 28 years, were numbered. Duvalier toured the capital briefly under heavy guard yesterday, but De Ronceray scoffed at what he called a pathetic effort to show he's still the boss. Foreign observers said a measure of the discontent with Duvalier would come early next week at the start of the annual carnival festivities. Haiti is a powderkeg at the moment. The spark could be the carnival, one Western diplomat said.

EXILE LEADER ON CURRENT NATIONAL SITUATION

PA041558 Madrid EFE in Spanish 1440 GMT 4 Feb 86

[By Jose A. Delgado]

[Text] San Juan, Puerto Rico, 4 Feb (EFE) -- Paul Latortue, representative in the Caribbean of the Haitian Civic Movement and an exile in Puerto Rico, today told EFE that there are well-known political leaders inside and outside his country and that "it is not true that the protests lack leadership." While charging that the U.S. news media is carrying out a campaign to discredit the opposition to President-for-Life Jean-Claude Duvalier, Latortue said that individuals such as Sylvio Claude, Hubert de Ronceray, and Gregoire Eugene have great prestige as leaders and that "those in exile have shown their leadership regarding opposition to Duvalier."

For the past 2 months, Haiti has been site of large demonstrations against Duvalier's lifelong presidency. The country entered into a crucial phase on Friday when it was announced in Washington that the president had left the country. Latortue also stressed the importance of the work carried out by the religious movements through Radio Lumiere and Radio Soleil and the work carried out by Sylvio Claude, a Protestant pastor.

"Perhaps one of the greatest difficulties has been transferring the work done by the church to a political party," Latortue said. He insisted that the Haitian president deceived the U.S. and French Governments. Latortue indicated that on Friday, when Larry Speakes, spokesman of the U.S. President, erroneously announced the fall of the Duvalier regime, the Haitian president must have promised the two governments that he would leave the country. "The plans were set. Duvalier had promised that he would leave. His departure was negotiated but the strong Tontons Macoutes (the political police) who probably did not let him leave," he said.

Nevertheless, Latourte, who has a doctorate in economics and is a professor at the University of Puerto Rico, said that despite the current situation, Haitians living abroad should not try to return to help in the struggle against Duvalier. "It would be very stupid for leaders in exile to show up in Haiti right now," he added. The Haitian leader said that international opinon should be concerned about the fact that the government has "prohibited" reporters from leaving the capital city. "The reason they have done this is to carry out a bigger slaughter," he said. The Duvalier government has told the international press that it would not be "responsible" for reporters, who leave the capital, where hundreds of foreign reporters are staying.

Latortue also rejected any U.S. intervention and explained that the essential thing is the departure of the president for life. "Haiti should hold elections at all levels. The uprising seeks the establishment of a democratic process. First, however, Duvalier must leave," he said. Even though there might be fear that the protest will decrease under the repression, Latortue said that in a few days or weeks, "sometime in the future, the demonstrations will return" and Duvalier will have to leave.

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ENVOY TO HAITI DENIES DUVALIER REQUESTED ASYLUM

PY060216 Buenos Aires DYN in Spanish 0050 GMT 6 Feb 86

[Text] Buenos Aires, 5 Feb (DYN) -- Hugo Caballero, Argentine ambassador to Haiti, denied tonight that Haitian President-for-Life Jean Claude Duvalier, had requested political asylum at his embassy. This evening international press agencies reported that at least three countries had rejected Duvalier's request for asylum, which he had allegedly also made to the Argentine Embassy. During a telephone conversation with DYN from his residence in Port-au-Prince, the Argentine ambassador said that "we have no information in that regard."

The ambassador said that "an issue of that nature would have necessarily reached me, I would be aware of it." "You probably have more information than we do and as you may know, I cannot give any more information because of the post I hold," he added. The ambassador ended by saying that "our Foreign Ministry is being continuously furnished with the information we can transmit."

Argentine scientist Simon Feld, temporarily living in Port-au-Prince where he is working as a physician and researcher for the World Health Organization, told DYN that because of some preparations being made, it is feared that the number of clashes registered in Port-au-Prince and other parts of this small country might increase. He added that "we have prepared the most important hospital in Port-au-Prince to be able to attend to the largest number possible of wounded persons. We are prepared and sufficiently equipped to grant all the assistance that may be necessary." Feld disclosed that some 200 journalists from all parts of the world are in Port-au-Prince and described the situation among the citizenry as "nervous and tense." He confirmed that "half the stores are closed," but said he knows nothing about President Duvalier's uncertain situation.

Press reports received this evening from various European capitals stated that at least three countries, Greece, Spain, and Switzerland, had rejected Duvalier's request for asylum. Regarding reports on Duvalier's request for asylum to the Argentine Embassy, in addition to Argentine Ambassador Hugo Caballero, Argentine consul in Port-au-Prince Hugo Neri also stated that the report "has no grounds whatsoever."

LA PRENSA QUESTIONS CAPUTO'S 'ATTITUDE' IN MOSCOW

PY050019 Buenos Aires LA PRENSA in Spanish 3 Feb 86 p 6

[Editorial entitled: "Beyond Protocol"]

[Text] To coincide with the 40th anniversary of the resumption of diplomatic relations between Argentina and the USSR, the foreign ministers of the two countries last weekend held several rounds of negotiations during which they expressed agreement regarding their political views on several international problems. These coincidental points of view became obvious a few minutes after the Argentine foreign minister stepped off the plane that brought him to Moscow. Foreign Minister Dante Caputo said then that the recent Soviet initiatives to complete a nuclear disarmament program by the year 2000 is "the most important step" in the disarmament sector, describing it as "in keeping with the point of view of the Argentine Government." In addition to reasserting his pacifist inclinations, host Eduard Shevardnadze took advantage of the opportunity to categorically condemn "the United States actions in Central America" and U.S. policy regarding Nicaragua before expressing support for "a peaceful solution to problems in Central America."

The silence maintained by the visiting dignitary about Shevardnadze's categorical and untimely statements seem to grant them tacit approval, because neither at this time nor in other occasions did Caputo express disagreement with them. On the contrary, the Argentine foreign minister upheld the same attitude when, during a reception, he heard Shevardnadze's renewed attack against the United States for its "efforts to interfere" in Nicaraguan domestic affairs "thus denying it the possibility to independently decide its destiny." According to the Soviet foreign minister, the difficulties that are confronting many countries today are due to "the policies of the majority of capitalist powers" and he added that this policy is blocking the development of international relations "on the basis of equal and fruitful terms."

The imperturbable silence of one of the parties and the aggressive attack by the other against the Western world certainly did not contribute to confirming the widely proclaimed nonparticipation of Argentina in the existing East-West conflict. It is not without reason that the news agency TASS published with irrepressible pleasure that the Soviet-Argentine talks had been carried out in "a friendly atmosphere" and with great cordiality.

The limitations imposed by the formalities of protocol are understandable when these are upheld by all the interlocutors involved. But there were ample opportunities to channel the tone of the negotiations and clearly explain that the Argentine people have not rejected their traditional identification with the democratic way of life or with those nations that uphold it.

GOVERNMENT GRANTS VARIOUS SALARY INCREASES

PY052206 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2146 GMT 5 Feb 86

[Text] Buenos Aires, 5 Feb (NA) -- The Argentine Government today ordered that judges, military men, teachers, and health-care professionals be given a 25-percent salary increase as a reward for "full time employment." Presidential spokesman Jose Ignacio Lopez made this announcement a few minutes ago from Government House.

CAPUTO CONFERS WITH HUNGARIAN OFFICIALS

For Budapest coverage of Foreign Minister Dante Caputo's visit to Hungary, including his talks with Pal Losonczi, president of the Presidential Council, and Gyorgy Lazar, chairman of the Council of Ministers, see the Hungary section of the 2 February Eastern Europe DAILY REPORT, and subsequent issues.

BRIEFS

NEW APPOINTMENTS -- President Raul Alfonsin has appointed Norberto Bertaina new growth promotion secretary, replacing Jorge Manuel Tanoira. The new secretary will be sworn in on 6 February along with Marcos Aguini, new culture secretary; and Ideler Tonelli, new justice secretary. They will replace Carlos Gorostiza and Alberto Borella, respectively. [Summary] [Buenos Aires TELAM in Spanish 1409 GMT 4 Feb 86 PY]

BANZER BEGINS TOUR OF BRAZIL, EUROPE, U.S.

PY031604 Madrid EFE in Spanish 1719 GMT 2 Feb 86

[Text] La Paz, 2 Feb (EFE) -- Former Bolivian President Banzer Suarez today left on a tour of Brazil, Spain, Germany, France, Italy, and the United States.

Banzer, who is the leader of the Nationalist Democratic Action (ADN) party, will first spend a few days in Sao Paulo and Rio de Janeiro and will then go to Madrid to attend the seventh congress of the Popular Alliance.

According to Banzer's aides, Banzer will meet in Madrid with Manuel Fraga Iribarne, leader of the Popular Alliance, a party that shares many of the ADN's political views.

Manfredo Kempf, a former Bolivian ambassador to Spain and the ADN secretary for international relations, is accompanying Banzer.

After attending the Popular Alliance's congress, Banzer will visit Italy, Germany, France, and the United States to hold important meetings with political and business leaders of these countries.

COCA PRODUCERS AGREE TO REDUCE PLANTATION AREAS

PY050159 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Feb 86

[Text] The Coca Producers Federation from the tropical Chapare region today expressed its agreement with the national campaign to reduce the area of coca plantations after meeting with Interior Minister Fernando Barthelemy and National Police Commander General Julio Vargas Soto.

It must be recalled that the Chapare region coca producers had refused to join the campaign, but after they listened to the explanation by the government officials, they expressed approval and even promised to support it.

Minister Barthelemy explained to the Chapare delegates that the government will help the regions that join the campaign. It will help with the installation of running water distribution facilities, the construction of roads, and the installation of electric power networks.

BRIEFS

EPIDEMIC AFFECTS CHUQUISACA LIVESTOCK -- Sucre, 19 Jan -- According to a report submitted by the local Peasant Affairs Ministry official, two Chuquisaca provinces have been affected by a yet unidentified disease that has killed 400 livestock. According to reports from the Zurduy and Tomina Provinces, an unknown disease is killing an alarming number of livestock. The towns of San Pedro, Sopachuy Tarvita, and Azurduy have been the hardest hit in the respective provinces. According to Peasant Affairs Ministry officials it is possible that the area may be affected by rabies but this will only be confirmed after a special commission has visited the area in question and reported on its findings. [Summary] [La Paz PRESENCIA in Spanish 20 Jan 86 p 5 PY]

M-19 UNIT SOUGHT WEAPONS AT ARMY OUTPOST

PY052103 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 86 p 5

[By special envoy Maria Rosa]

[Excerpts] Manaus -- A group of M-19 guerrillas broke the isolation they have maintained since last July when they installed themselves in the Brazilian border region and sought out the commander of the Special Frontier Company [Pelotao Especial de Fronteira -- PEF] in Sao Joaquim, Brazil.

They wanted to buy weapons and to deny that they have any intention of operating in Brazil. Four M-19 guerrillas, including Commander Lynce Camara and a woman, paid a visit in December, which had been announced earlier, to Sao Joaquim. The meeting was friendly: They talked in general about the difficulty of surviving in the jungle and alleged that their presence in the area was only strategic. They gave no details about possible operations to be carried out from there in the future. In turn, the PEF commander refused to sell any weapons and explained that the Army vigilance in the area has tended to increase.

Amazon Military Commander General Otavio Medeiros briefed the Colombian Defense Minister General Miguel Vega Uribe on this meeting during the summit of President Jose Sarney and Belisario Betancur in Manaus on 30 January. According to Medeiros, the 80 guerrilla fighters under the command of Lynce Camara (the nom de guerre he used) left the Mitu base, on the border with Iauarete and 50 km from Brazilian territory, and headed for the higher Rio Negro region. This group established a second operational base in Puerto Inirida, 10 km from Sao Joaquim, where it contacted the PEF. From there they took to the mountain range that leads to Venezuelan territory. Medeiros reported that all the M-19 members wore uniforms and were very well armed with rifles and pistols.

General Medeiros, when commenting on the drug-trafficking problem, admitted that the soldiers of the region do not have the means with which to control further drug trafficking and cocaine manufacturing. Medeiros did not doubt that an encounter between the Army and the drug traffickers will demonstrate further the differences in the resources available to the two sides, to the detriment of the Jungle Infantry Batallion [Batalhoa de Infantaria da Selva] forces. Medeiros said that only a joint operation by all the bordering countries, Peru, Colombia, Bolivia, and Venezuela, would serve to dismantle the real powder key installed in the border region by the drug traffickers. General Medeiros believes that the Federal Police have done what they could within their capabilities, being under-equipped and with a very small force.

ARMY DENIES REPORT OF ARMS SALE TO IRAQ

PY060146 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 86 p 5

[Text] Brasilia -- At this time none of the Brazilian arms manufacturers are selling military equipment to Iraq. FOLHA DE SAO PAULO received this information from the Department of Military Materiel of the Army Ministry, through which all arms exports must be channelled.

The news agency AGENCE FRANCE-PRESSE yesterday reported from Vienna, Austria that the Austrian Government had prohibited a Brazilian airplane carrying arms (106 mm cannons, ammunition, and a jeep) to Iraq from landing at the Vienna airport on 3 February. The arms were to be transferred to an Ilyushin plane of the Iraqi Airways company, which was awaiting the shipment at this airport.

The Military Material Department investigated the report and stated that neither the plane that was to land in Vienna nor the arms it carried were Brazilian. The department added that the plane that was kept from landing was carrying an Austrian-made 155mm cannon and ammunition for it. According to this department, Iraq may have purchased this material directly from Austria and Brazil has nothing to do with the affair. The department went on to add that Brazil does not manufacture 155 mm or 106 mm cannons.

Brazilian Foreign Ministry Spokesman Renato Prado Guimaraes refused to comment on the report and merely indicated that "Itamaraty does not discuss arms exports." Neither the Austrian nor the Iraqi Embassies in Brazil had received any information on the incident yesterday afternoon. Austrian Ambassador (Nikolaus Horn) said that he would ask his government to clarify the matter but could only do so today because of the difference in time. Iraqi Ambassador (Qays Tawfiq al-Mukhtar) answered along the same lines. According to AGENCE FRANCE-PRESSE, the Austrian Interior Ministry has stated that it had no comment to make on the case. The report carried by the news agency was published in the Austrian newspaper KURIER.

BRIEFS

TASK FORCE VISITS AFRICA -- A Brazilian Navy task force, formed by four vessels and headed by the SS Niao frigate, on 12 February will sail to the following African ports: Lagos, Abidjan, Dakar, and Las Palmas in the Canary Islands. Although it is mainly a military visit it is also of a diplomatic nature. [Text] [Rio de Janeiro O GLOBO in Portuguese 2 Feb 86 p 6 PY]

CAR BOMB EXPLOSION INJURES 14 CARABINEROS

PY052003 Santiago Domestic Service in Spanish 1630 GMT 5 Feb 86

[Excerpts] Fourteen Carabineros were injured today in a terrorist attack, two of them seriously, sustaining shrapnel injuries to the body and head. They are in critical condition. The Chilean Carabineros deputy general command today issued an official communique regarding the terrorist attack on the Carabineros. The communique adds that similar situations will not undermine the actions of Chilean Carabineros and that they will continue to carry out their duty of safeguarding the peace and order in Chile for the benefit of the community.

It was also learned that a Charade car, which contained a gas bottle filled with explosives and metal pieces, blew up. The car was rented at the end of January in San Felipe. The explosion also affected a public bus on the San Cristobal-La Granja route, carrying 28 passengers who were mostly unhurt. Some, however, did experience minor injuries.

Responding to the press about the terrorist attack that occurred this morning when a car bomb went off just as a Carabineros bus was passing by, Carabineros Commander Rodolfo Stange said that those who believe that through violence they will destroy the unity within the Chilean Carabineros corps are wrong. General Stange categorically condemned the attack: [Begin recording] [Passage indistinct]

[Stange] [Words indistinct] the unity within Carabineros by resorting to these means which are completely outside the law. Therefore, we shall do everything within our capacity to find those responsible for this act and to pace them at the disposal of the courts which are entrusted to enforce the proper punishment [end recording]

General Stange held a brief talk with reporters who asked him whether be believes that an alleged escalation of violence scheduled for March is possible.

[Begin Stange recording] Well, all of us have heard that there are many gentlemen, quote unquote, who say they are preparing themselves for March, for (?10) March. But I do not think this could be described as an escalation of violence because not all Chileans are participating in these activities. It is just a small number of fools who resort to these means. [end recording]

Asked about reports from Argentina which state that there is a network of Latin American extremists who have already sent many guns to Chile, the Carabineros commander said that these reports are bound to be well-substantiated and because of this they are under investigation.

[Begin recording] [Stange] [passage indistinct] It has been established, moreover, that three extremists groups have joined forces in Colombia. Extremist forces from Peru and Ecuador are also active in Colombia. Extremists are always united because they know each other.

[Unidentified reporter] Are you investigating these reports?

[Stange] Of course we are. We are all working together and hoping to get the support of all citizens who are aware that the persons involved in these groups are not mentally sound and who should not belong to [word indistinct] Chilean society. [end recording]

Finally, General Stange said that the attack against the Carabineros bus was an extremely bold action, that the bomb was quite powerful, and that the extremists used a bomb that was activated by remote control.

MIR Claims Responsibility

PY052011 Santiago Radio Chilena in Spanish 1600 GMT 5 Feb 86

[Excerpts] Fourteen carabineros were injured this morning when a car bomb exploded at the corner of Eyzaguirre and Santa Rosa Streets in Santiago just as a Carabineros bus was passing by. After the attack, unidentified individuals claiming to be MIR [Movement of the Revolutionary Left] members said in a telephone call to the media that a communique had been left in a Santiago ice cream parlor. Just as they said, a letter was found in the bathroom of the ice cream parlor. It stated that the Arturo (Villavela) commando group claimed responsibility for the attack. The communique noted that the attack was an antirepressive action against the Carabineros. The text of the communique was signed by the MIR national military board. Police and security services are carrying out intensive investigations to find those responsible for this attack.

DYNAMITED PYLONS CAUSE SANTIAGO BLACKOUT

HK060621 Hong Kong AFP in English 0543 GMT 6 Feb 86

[Excerpt] Santiago, Feb 6 (AFP) -- The Chilean capital was blacked out for almost an hour Wednesday night after dynamite attacks on high-tension pylons, police said. Within 50 minutes, power was restored in the center of the city and some residential areas, but other neighborhoods remained in the dark. The power cut lasted a shorter time in other cities north and south of Santiago.

The blackout struck at 10:30 p.m. when many Chileans were watching the opening of a highly popular song festival. Some reports suggested that the dynamiters were protesting against the musical "frivolity" at a time when the country was in economic and political crisis.

BUS BURNED IN FRONT OF GOVERNMENT HOUSE

PY060213 Paris AFP in Spanish 0129 GMT 6 Feb 86

[Text] Santiago (AFP) -- A public transport bus was set on fire tonight in front of Government House in downtown Santiago and eyewitnesses reported that the attack was carried out by an unidentified armed commando group. The alleged attack took place at 2200 local time (0100 GMT). According to initial police reports it caused no casualties.

UNION LEADER REJECTS MILITARY SALARY INCREASES

PY032235 Santiago Radio Chilena in Spanish 1630 GMT 3 Feb 86

[Excerpts] The National Association of Government Employees [ANEF] today firmly rejected the recently approved law that grants privileged pensions to Armed Forces, Carabineros, and Investigations generals. This law had been repealed in 1979 because it was considered unfair. ANEF President Hernol Flores said that this law is offensive because it establishes a new form of discrimination between the military and civilians. He added that the government should not make distinctions between first and second class citizens, and that the law must be applied equally to all Chileans.

[Begin Flores recording] We have said before that all we want is equal treatment for all the [name indistinct] workers. We are not protesting against this benefit for the generals, we do not wish to (?antagonize), but what we want is that this benefit be applied to all workers and not only to the men in uniform, because if there is an economic crisis, it is obviously affecting all Chileans. [end recording]

Flores likewise repudiated law No 18,4907, which grants a millionaire's salary to the military and civilian heads of the martial courts and the Army and Carabineros judge advocate general. He said that this law is very unfair because it increases the salaries of these officials by 40 percent as compared to the salaries received by a court of appeals official. He said that the problem is even more serious if it is considered that the readjustment will be granted retroactive to 1 January 1985.

Turning to another subject, Hernol Flores proposed that the governement establish a national salary scale to overcome this serious economic crisis.

[Begin recording] The truth is that this country has, economically, reached the bottom. The only thing that will save this country as a nation will be a sacrifice by all of us; that is, a real, shared sacrifice among all Chileans -- civilians and military men, the rulers and the ruled. This is why we concretely propose that until we overcome this terrible economic crisis that is affecting our country, no one in Chili should earn more than a 150,000-Chilean-peso salary and no one, neither civilians nor retirees or pensioners, should earn less than 35,000 Chilean pesos. [end recording]

Hernol Flores then reported that the ANEF has requested a meeting with Finance Minister Hernan Buchi to discuss the problem of pensions. If we do not obtain a response, we will go to the trade unions and political parties to find a solution, he concluded

CENTER RIGHT GROUP STATES ELECTION POLICY

PY042357 Madrid EFE in Spanish 2136 GMT 3 Feb 86

[By Santiago Diez]

[Text] Santiago, 3 Feb (EFE) -- The new center-right coalition, known as the Democratic Accord Front (FDC), has expressed its solidarity with petitions sent to General Augusto Pinochet by the opposition, asking for direct presidential elections, and for the legalization of political parties. The two requests by the FDC form part of the "National Accord for the Transition to Full Democracy," which was signed by 11 opposition parties last year at the suggestion of Santiago Archbishop Cardinal Juan Francisco Fresno, and rejected by the military government. The birth of the FDC has united a group of parties, made up of Radical Democrats, Christian socialists, Social Democrats, and the National Democratic Party, which have consistently supported the Chilean military regime, but are now discussing the need for the liberalization of political life.

A prominent opposition leader told EFE today that the creation of the FDC, which is of no great importance in the opinion of some members of the opposition "due to the small representation" of its parties, is only an "attempt to consolidate a group of leaders on whom the government may call for an apparent dialogue." According to leaders of the Radical Democracy, who inspired the creation of the FDC, one of the main objectives of the new front is to "work in a coordinated way on the construction of a legal path which will allow a peaceful transition to a stable democracy." The FDC also wants the Pinochet regime to make an "active and coordinated study of the organic laws," particularly the law which legalizes the existence of the political parties. Other opposition groups agree on this point.

Also in agreement with the opposition, the FDC wants the government to study an amendment to the 27th Transitory Article of the Constitution, which establishes a plebiscite to elect the president of the republic in 1989. According to the present Constitution, which was promulgated by General Augusto Pinochet in 1981, at the end of the transition period in 1989, the junta of commanders in chief will propose to the country the name of the successor to the present chief of state, who could again be General Pinochet, If the Chilean people do not accept the individual proposed by the military commanders, Pinochet will stay in office for another year, after which there will be direct presidential elections.

The basic FDC objectives agree with one of the most important demands of the opposition: direct presidential elections, even though the center-left Democratic Alliance thinks these elections should occur before 1989. The difference between the FDC and the opposition stands out clearly when it states that "all who respect the 1980 Constitution and the schedule it establishes," and "those who recognize the salvaging action of the Armed Forces in the most difficult period the country has ever experienced" may join the Front.

'POLITICAL ACTIVITIES' PROMPT ARREST OF STUDENTS

PY060223 Santiago Domestic Service in Spanish 2200 GMT 5 Feb 86

[Excerpts] Youths pretending to be carrying out summer projects were arrested in the Fifth Region for political activities. Here is a report on this from Valparaiso:

[Begin relay by unidentified reporter] The office of the Fifth Region intendant wishes to inform the public of events regarding summer projects, a title under which subversive political and party activities have been secretly carried out. Last 7 January at 0900 and at 1630, a group of student representatives from local university federations requested the authorization of the intendance to carry out summer projects in Valparaiso. On that occasion the students promised to: a) send a list of all the participants; b) refrain from carrying out any political activity; and c) to work under the supervision of intendance-appointed professionals. A few days after making this promise, the students broke their word and issued a public declaration of a clearly political nature through the local media.

On 17 January 1986, the intendance notified the university rectors and university student federation presidents that the intendance no longer sponsored or supported the summer projects, which have been used to secretly carry out political activities. On order from the Interior Ministry, the following individuals were arrested yesterday: Renato Manuel Carvajal Aguilar, Miguel Aurelio Gonzalez Lopez, Alfredo David Carvajal Brito, and Marco Antonio Julio Medi . All are university students except Marco Antonio Julio Medi , who is unemployed. They were arrested in a house at number 14 Matacaspti Avenue in the Heroes del Mar neighborhood, Cerroplaceres, Valparaiso.

The arrest of the students and the material seized in their center shows that the so-called summer projects carried out by university students are nothing but political and subversive activities. The regional intendant reiterates his appeal to the neighborhood, community, and sectorial organizations to remain alert for activities of this sort, and to report them without delay to the authorities.

Valparaiso, 5 February 1986. [end relay]

GARCIA CONSIDERS IMPOSING LIMA STATE OF EMERGENCY

PY052308 Paris AFP in Spanish 2245 GMT 5 Feb 86

[Text] Lima, 5 Feb (AFP) -- President Alan Garcia said here today that recent terrorist attacks are a sign of a highly professional new and mysterious type of violence in which not only left-wing groups are involved.

The president announced that in order to cope with this new violence the government is studying certain measures such as the implementation of a state of emergency in the capital of the country.

ARMED FORCES JOINT COMMAND DENIES MASSACRE

PY051819 Lima Panamericana Television Network in Spanish 0200 GMT 5 Feb 86

[Text] The Armed Forces Joint Command and the Attorney General today released communiques categorically denying the alleged massacre of peasants. A local newspaper published that such a massacre occurred in Ayacucho in 1984.

The following is the official communique of the Armed Forces Joint Command:

1. In view of biased reports published in a national newspaper aimed at making the Armed Forces responsible for an alleged slaughter of peasants in 1984 in (Chaqui), La Mar Province, Ayacucho Department, and in (Lucmagaipo), Quillabamba, Cusco Department, the Armed Forces Joint Command categorically rejects such accusations because they are untrue.

2. The helicopters that support the operations in the emergency zones are not equipped with bombs, therefore bomb attacks could not have been conducted.

3. After reviewing the military operations reports on the mentioned dates there are no reports indicating operations of that type that could have been carried out in the areas of the territory declared in a state of emergency.

4. It should be pointed out that the newspaper gives ample coverage of false information and fails to report the cowardly Shining Path attack carried out in Tincuy, La Mar Province, Ayacucho Department, in which 12 members of the Comuneros peasant group were violently killed by the insane cruelty of Shining Path members who have unleashed barbaric actions in the national territory.

5. An appeal is made to the healthy judgment of the people not to let themselves be influenced by such information aimed at deteriorating the image and rôle of the Armed Forces in their task of pacifying and developing the areas declared in a state of emergency.

Public Relations Office of the Armed Forces Joint Command, Lima 4 February 1986.

SANGUINETTI DISCUSSES ACCORD, ECONOMIC GOALS

PY310226 Paris AFP in Spanish 0051 GMT 31 Jan 86

[Text] Montevideo, 31 Jan (AFP) -- This evening, President Julio Maria Sanguinetti stressed the need to energetically reactivate the economy within the framework of a broad national accord, regardless of political parties. In his speech, broadcast over radio and television, the chief of state voiced his desire that the accord -- designed to last 3 years -- give the country peace and not allow any room for the intolerant, the revanchists, and the extremists, no matter what color they may be.

A few hours ago President Sanguinetti ended a first round of talks in this regard with leaders of the following opposition parties: the Broad Front (coalition of leftist groups), the National Party (center), and the minority Catholic Civic Union. In his speech he termed the accord as indispensable for the next few years and admitted that, despite his government's achievements in the social and institutional fields, we have still not achieved an energetic economic reactivation.

According to the president, the reactivation requires an increase in investments, a peaceful atmosphere, and some concrete programs. Sanguinetti said that it is not a question of discussing philosophical models or slogans because an agreement would never be reached. He asserted that they (the models) are established in the Constitution, are democratic, and were approved by the people that elected this social democratic government.

Sanguinetti stated that it is a matter, even when we have different ideologies, of being able to coexist and join efforts to take the true paths that the country requires. According to the president, the discussions should be focused on how to improve economic and social efficiency, granting investors, producers, and workers more confidence. The Uruguayan president stated that the world is in constant evolution and noted the need to be part of this evolution seeking to modernize our country and develop its technology so that it may be capable of competing on an international level: if not, we will remain a backward country.

ABADIA TO DISCUSS CENTRAL AMERICA WITH SHULTZ

PA052152 Panama City Televisora Nacional in Spanish 0000 GMT 5 Feb 86

[Text] Foreign Minister Jorge Abadia Arias will go to Washington on Sunday to meet with U.S. Secretary of State George Shultz to discuss the Central American situation. Regarding the progress made for a peace agreement in the region, Abadia Arias said:

[Begin recording] We believe that the Caraballeda document has given new faith, hope, and determination to the countries involved in order to reach an agreement soon so that bloodshed, death, and pain can end in Central America. We believe, and are convinced that the government and the people of the United States are also convinced that an agreement must be reached soon. This agreement must be in line with the interests of each of the countries involved, and I believe that we will obtain this soon. [end recording]

ESQUIVEL COMMENTS ON NATIONAL LIBERAL ALLIANCE

PA311834 Panama City EXTRA in Spanish 30 Jan 86 p 28

[Text] Worried by the continuous discrepancies within National Democratic Union [UNADE], Roderick Esquivel, leader of the cogoverning liberal group, has said that liberalism would be ready to abandon an alliance that does not further the country's interests or hold political viewpoints that are consonant with the party's principles.

Esquivel made these statements in response to questions from several reporters about a document recently issued by the Labor Party, complaining about political cannibalism in top government spheres, which is harmful to the government alliance.

Regarding the much rumored government junta, the leader of the so-called gynecological liberals said in a press conference held yesterday on the 13th floor of the National Bank building that if the junta becomes a reality, there will be a breakdown in the government, "since the civilian control of the government would be lost."

Continuing his lengthy chat with the media, Vice President Esquivel said that his group has always believed in the unity of Panamanian liberals and has worked hard to achieve this goal. This was a clear allusion to the Authentic Liberal Party's questioning of the present Panamanian regime. Esquivel said that the country is facing financial problems, but that the government could not consult excessively on this issue with the various sectors of the country.

NORIEGA LETTER TO U.S. GENERAL ON BARLETTA RESIGNATION

PA052248 Panama City LA PRENSA in Spanish 3 Feb 86 p 20 A

["In a Few Words" column: "Memorandum to the Boss" -- all quotation marks as published]

[Text] It happens now that Eric The Red is nationalist, anti-imperialist, prosovereignty, and other such things. This is only lip service. And speaking of lips: The latest issue (No 437) of the Bogota magazine GUION, published on 30 January 1986, carries a report ("The 72 Hours of the Panama Affair") on the tumbling and fall of Nicolas Ardito Barletta. The only new thing in the GUION is a document that General Manuel Antonio Noriega sent to General John F. Galvin, commander in chief of the U.S. Army Southern Command, explaining the reasons for the forced resignation of the Panamanian president.

In that document, one can see, among other things, that Eric Delvalle, the current Panamanian president, was one of the members of the commission that asked the Armed Forces for the resignation of Ardito Barletta. Before going ahead with the report I want to ask: Why does the commander of the Defense Forces of Panama (who has tried to give us the impression that he is the champion of anti-imperialism, and a zealous defender and vigilant guardian of national sovereignty) have to report to the military representative of the United States to give him all sorts of explanations on a domestic Panamanian political event. Here is the humiliating, shameful, and disgraceful document:

"Panama City, 14 October 1985

"To: General John F. Galvin, commander in chief of the U.S. Army Southern Command.

"From: General Manuel Antonio Noriega, commander in chief of the Defense Forces of Panama.

"Subject: Summarized act on the resignation of President Nicolas Ardito Barletta.

"Outline of the 72 hours prior to the resignation of President Nicolas Ardito Barletta.

"1. The country was facing a serious threat to peace and public order and the political parties of the government (UNADE) [National Democratic Union] had mentioned the possibility of social clashes that would have unforeseeable consequences.

"2. In view of this fact, in the morning of 25 September, Wednesday, an UNADE delegation requested and was granted a meeting with the Defense Forces staff.

"Gen Manuel Antonio Noriega was not back in the country but he was expected to return either that very day or on Thursday, 26 September. The UNADE delegation was composed of 50 persons, including:

"Democratic Revolutionary Party [PRD]:

"Legislators Camilo Gozaine, Jerry Wilson, Even Chi, Alberto Aleman Boyd, Tomas G. Altamirano Duque, Luis Gomez, Hugo Giraud, Rigoberto Paredes, Alfredo Oranges, Luis Navas, and Gerardo Gonzalez, Darisnel Espino, Humberto Lopez Tirone, Dr. Nander Pitty Velasquez, Jilma Noriega de Jurado, Jaime Simmons, Romulo Escobar Bethancourt, and Jose I. Blandon.

"Labor Party [PALA]:

"Legislator Harmodio Icaza, Efrain Zanetti, Jackie Cardoze

"Republican Party:

"Eric Arturo Devalle, Legislator Raul Devalle

"Liberal Party:

"Legislator Virgilio Saenz

"Independent:

"Manuel Solis Palma

"This delegation presented its views on the national situation to the General Staff as follows:

"2.1 [numbers as published] Mistrust in the political capabilities of Ardito Barletta to lead the country.

"2.2 Lack of leadership.

"2.3 Increase in sedition as the Christian Democratic Party has grouped with a certain sector within the Panamenist Party's top leadership and with leftist and ultraleftists elements of the People's Action Party, the Workers Socialist Party, and the Revolutionary Students Front.

"2.4 The Spadafora case had become a political matter with clearly seditious goals. The purpose was to destroy the Defense Forces and to end the Civil Government.

"2.5 The UNADE parties inform the General Staff that they have withdrawn their support of President Ardito Barletta and will so inform him upon his return."

"3. The General Staff assessed the seriousness of the crisis and so informed Gen Noriega, who decided to return that same night on 25 September.

"4. A UNADE delegation, approximately 200 or more persons, awaited Gen Noriega's return, and in the presence of the General Staff commented on all the points that had been discussed.

"5. On 26 September, the PALA's full directorate, led by well-known industrialist Carlos Eleta, asked to meet with Gen Manuel Antonio Noriega who agreed to the request. During this meeting, the delegation affirmed all the UNADE points, and told him that Ardito Barletta offered no guarantees of democracy, peace, and public order in Panama.

"6. On Thursday noon, the PRD and the PALA held a top-level meeting of its directors, and agreed to tell the president that they had withdrawn their support.

"7. On Thursday afternoon, reports from all provinces concurred that there was a vacuum of power and that sedition was growing.

"8. In view of this state of affairs, the top command told the president, through Foreign Minister Jorge Abadia, and Gabriel Lewis Galindo, about the seriousness of the situation the country was experiencing.

"9. The president returned on Friday morning and agreed to meet with Gen Noriega and his General Staff in the military headquarters. Before arriving at the military headquarters, the president went to his home, and later went to Foreign Minister Abadia's house to pick him up. Ardito Barletta arrived at the military headquarters with Abadia."

Tomorrow I will finish reprinting this fantastic novel, and later I will add to it a biographical note that is truly fitting. Meanwhile, please note the excellent description of the characters such as kamikaze Carlos Eleta, and mean guy Manuel Solis Palma.

FOUR 'PRESUMED' LEBANESE TERRORISTS ARRESTED

PA022229 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Feb 86 pp A 1, A 16

[By Emilio Sinclair]

[Text] The authorities have stepped up surveillance at all ports of entry and have begun intensive intelligence activities since four Lebanese citizens, presumed to be members of an advance terrorist commando group that has entered the country, were arrested on Wednesday. The four men, who were unable to justify their presence in Panama, flew from Beirut to Geneva, Switzerland, and on to Amsterdam, the Netherlands, before finally arriving in Panama via KLM airlines.

The men, who do not speak any Spanish, were unable to explain their presence in the country, but they were carrying cash and each had a very costly airplane ticket. They told an interpreter that they were members of "a group of students who were touring Latin America" and that they were traveling to Mexico for the World Soccer Cup (The World Cup games will take place in Mexico in June and July, 4 months before [as published] the arrest of the four Lebanese). They also said that they were here to become familiar with the situation in Latin America.

The Panamanian authorities have determined that their travel documents might be fake. The men are Husayn 'Ali Ghasham, 18; Husayn Nahmi Ghasham, 20; 'Ali Muhammad al-Rida, 18; and 'Abd 'Ali Ghasham, 19.

It is felt that the area of the Panama Canal -- an international waterway that was opened in 1914 and was seriously threatened during World War II -- is extremely vulnerable to terrorist activities because with today's sophisticated weapons part of its installations could be easily destroyed from a parking lot or a lookout point, thereby obstructing world traffic through the waterway. By means of the Defense Forces' intelligence apparatus the national authorities are intensifying efforts to determine if the four men were scheduled to meet with other subversive elements to try to disrupt peace in the nation. Damage to canal installations could interrupt the flow of traffic via the waterway, increasing the cost of ocean freight because ships would have to make the long trip around Cape Horn. This in turn would increase the cost of imported products more than tenfold, worsening the world economic crisis.

The first warning about the training of a suicide commando group that would have the Panama Canal among its targets came from General Manuel Antonio Noriega, commander in chief of the Defense Forces, who stated in early January that "the essential information in our hands indicates that this terrorist commando group is being trained in or becoming familiar with the situation in Latin America and how they can affect areas of interest to the United States." In a statement that Gen Noriega gave this newspaper (published on 5 January 1986) he warned that the Panama Canal "is one of the most desired and coveted targets of a guerrilla commando group, a terrorist commando group that uses explosives in suicide attacks." It was learned that the terrorist commando group was being trained in the Netherlands Antilles.

While the state security organizations are on the alert to detect any terrorist action against U.S. military objectives and personnel in our country, Panamanian and U.S. troops -- who are committed to the joint defense of the canal, which is now in the sights of international terrorists -- are carrying out joint maneuvers, including civic action projects, on the northwestern coast of Colon Province.

FMLN VIEWS MILITARY CHANGES AS 'CRISIS' IN ARMY

PA032013 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Feb 86

[Station commentary: "Changes in the Armed Forces, a Sign of A Profound Crisis"]

[Text] The changes in the Armed Forces announced in the past few hours are only the most visible evidence of a profound crisis that has been increasing within the puppet Armed Forces. The truth is that the changes, as Radio Venceremos announced, had been set for 1 January. Political circumstances forced the changes to be postponed, but they could not be avoided.

There are two reasons for the crisis in which the puppet Armed Forces are immersed: first, the defeat of their military plans, and second, the contradiction between two sectors. These two sectors are headed by Vides Casanova and Blandon on one side, and a group of officers called the Philarmonics [Los Filarmonicos], on the other. This second group is comprised of, among others, Mauricio Estaben, Caceres Cabrera, Mauricio Vargas, and other colonels and lieutenant colonels.

The changes were promoted and ordered by the North Americans to favor the sector headed by Vides Casanova and Blandon. It is the North Americans who have the command of the Army and who try uselessly, through these changes, to solve the crisis. It was the North Americans who brought Ochoa Perez from Washington, and it is the North Americans who are now forced to ship him back again.

What occurred with Ochoa Perez is interesting. He was the North Americans' man. They tried to promote him, but it was impossible to support him politically. Ochoa Perez is perhaps the gorilla who caused the most trouble for the Duarte regime's political plans. On many occasions, Duarte was left in a ridiculous position due to Ochoa Perez' actions and remarks.

We all remember what happened in La Palma. On that occasion, Duarte said that the Army would remain far away from La Palma, but Ochoa Perez ordered his troops to enter La Palma and said that he only received orders from the General Staff and not from any civilian, referring to Duarte.

When the end of the year truce went into effect, the regime issued a communique promising to respect the truce. Ochoa Perez once again left Duarte in a ridiculous position saying that he didn't know anything about a truce. Subsequently, when hundreds of Salvadorans who were staging a march for peace in El Salvador and Central America arrived in Chalatenango, Ochoa Perez behaved like a true gorilla. Later, when Msgr Rivera y Damas made a pastoral visit to Chalatenango, Ochoa Perez ordered the bombing of areas visited by Rivera y Damas. All of these actions and statements by the former commander of El Paraiso garrison were reported by the international press, showing the world that in El Salvador the gorillas continued to be the same gorillas.

All this, plus his obvious military ineptitude, was mining the ground on which Ochoa Perez stood. In fact, he was removed at a moment when he was feeling the weakest, the most demoralized, desperate, and incapacitated in the face of the constant defeats suffered in Chalatenango.

With these changes, the North Americans want to patch up the political and military crisis affecting the regime and the Army. However, these changes won't solve anything.

In La Union Department, for example, the situation has become militarily complicated for the enemy. The southern part of that department, which was relatively calm, has become an area of conflict. This is proven by the FMLN occupation of the Armed Forces Military Training Center.

When Colonel Rubio proved to be a complete good-for-nothing in trying to solve this situation, the North Americans removed Rubio and sent another good-for-nothing.

Dionisio Hernandez in Sonsonate is a convincing example of how the FMLN military blows increase the Army crisis. Hernandez was another officer who left because he was incompetent. He is a man who has dragged a long chain of defeats since San Vicente. His efforts in Sonsonate were enough to earn him his removal.

Therefore, it is the North Americans who are now making all the decisions in the Army. They ordered all the changes. With these changes, the North Americans are trying to put out the fire on contradiction that is suffocating Napoleon Duarte. They are also trying to solve the problem of defeat affecting the Army. These efforts are in vain. The changes will not solve anything. In a few months, they will again be blaming each other for the military failures. The changes will not solve contradictions within the Army because these contradictions are prompted by the situation of defeat the Army is experiencing at the regional and national levels.

In this regard, the crises within the regime are insurmountable because they are a result of the total failure of their political and military plans. They are resounding and very visible setbacks in this period.

FARN COMMANDER CABRAL DISCUSSES FMLN PROGRESS

PA040002 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 31 Jan 86

[Interview with Commander Leo Cabral, second secretary of the Armed Forces of National Resistance, FARN, and a member of the FMLN, by Radio Farabundo Marti and Radio Venceremos; place and date not given -- live or recorded]

[Text] [Question] The high command has carried out Operation Phoenix on Guazapa Hill. According to General Blandon, chairman of the Joint Chiefs of Staff, this operation's main objective is to free Guazapa Hill of guerrillas. What is your opinion?

[Cabral] The enemy makes this type of statement very time they initiate an operation of this scope and importance. This is what they always say. In this case, the statements have been accompanied by a great propaganda display. For Operation Phoenix, which was initiated on 10 January, Gen Blandon gathered his commanders and met with reporters in Hacienda San Cristobal, near Guazapa, to inform them of the new operation's characteristics.

He informed them about the number of troops involved -- more than 6,000 -- he informed them that three of his elite battalions in the region are prepared, that the operation will last for an indefinite time, and that he plans to search Guazapa Hill -- he says -- inch by inch. We feel that Gen Blandon is not realistic because he is trying to achieve the objectives he has not achieved during the past 6 years, and which he will not achieve at this time because the war's development favors our people and the FMLN.

(?How will we view this later on?) I must say that Gen Blandon [word indistinct] a great deal about not establishing the exact moment at which he began to develop this operation, which we consider a strategic effort by the enemy, and also a defensive effort. For you to understand our statement, I must refer to the FMLN General Command's end-of-year balance, and to the fact that it is doubtless that we are winning the war.

This popular progress is expressed in the following four aspects: political, economic, military, and ideological. Regarding the political aspect, we can say that our people's advances have surpassed the imperialist political plan headed by Napoleon Duarte and his regime, and has left them unable to reactivate it. This is the first part, the political part.

Economically, I must say that there is a deep crisis in the Salvadoran economy and that neither the government nor the imperialists with all their help and all their dollars are capable of reactivating it to make it a part of the aggression against our people. A desperate measure adopted at the beginning of the year was the economic package, which is an effort to at least cover up or mask this deep crisis.

Militarily, I must say that the (?Army) is totally blocked. This has been demonstrated by the more than 6,000 casualties inflicted on the enemy by our forces during 1985, and the more than 20,000 casualties we have inflicted on them throughout the entire war. There can be no doubt that the enemy can no longer conceal either the quantity or quality of the blows we have dealt their troops. They cannot conceal the deep attrition we have subjected them to, they cannot conceal the amount of weapons and materiel we have seized from them, nor the amount of materiel we have destroyed. They cannot conceal that their active troops are deeply weakened, worn out, with very low morale, and that they must request more military aid; they must resort to intensifying their use of aviation and airborne troops.

Ideologically, we have proven that our decision to struggle for an anti-imperialist, anti-oligarchic, and popular revolution is correct. We have defeated the enemy's misinformation; our propaganda, our information has an audience among our people, it has credibility, prestige, it has our revolutionary stations -- it has written propaganda -- and international press agencies' information centers. Also in the ideological area, in the midst of the war we have developed our revolutionary, ideological, political, and military plans in order to give our bases, our cadres, and our troops greater political and ideological clarity in fulfilling their revolutionary tasks.

Furthermore, to explain the situation we must discuss other ideas. One of these ideas is that we have made progress in our techniques and in the development of the war. Other ideas are expressed in the transformation of our peoples' political struggle into a struggle for their economic recovery through our military progress. The broadening of our theaters of operation open new spaces for the masses' struggle, for our peoples' struggle. Within this framework, our war plan continues to be successfully developed, but, in addition to this, our victorious development gives us the ability to also propose a political resolution of our peoples' problems. It has been demonstrated that the imperialist plan does not tend to resolve these problems, but to simply and unnecessarily lengthen the war, an unjust war, a war of aggression against our people, a war that strips them of the possibility of sovereignly resolving all the problems that this country has historically encountered. This is why we feel that imperialism is the determining factor in the extension of the war.

This disruption, this blocking of their political and military plans, will only promote other forms of intervention.

However, we must say that we are prepared and will continue to prepare ourselves so that you all can feel our political-military preparation. We are preparing, and we are ready to wage a [word indistinct] war. We plan to defeat the enemy during each patrol, action, and operation.

All of this would not be possible without something fundamental: the strengthening of the FMLN's unity. This unity contrasts with the weakness, internal contradictions, and disunity prevailing among the enemy forces; it contrasts, we say, because it is within the framework that we stated at the beginning: While our people move forward, the enemy withdraws. These are good ideas because they are a summary of a year of efforts, sacrifices, and victories, and they offer us the perspective of a better future for our people.

All in all, Gen Blandon's statements are not new. General Garcia made equal or similar statements. Moreover, Gen Blandon was the executive chief of the Guazapa 10 operation. At that time, they made the same statements they are making now, statements that are no longer within a real framework.

[Question] Commander Cabral, according to what you have said to the effect that the enemy is making great efforts to attain a military victory within the framework of a situation of crisis and weakness, what doses the enemy's great effort consist of, and what achievements have they made?

[Cabral] In general terms, I can say that these operations are a strategic effort, a military answer to all problems. Specifically, we can say it is an effort to achieve a significant military victory to support their political plan. They are seeking support for their social bases. It is also an effort to break up and annihilate the groups that support us, our propaganda organizations, our military forces, and our popular groups.

Let us now look at the investment of forces that the enemy has made for this operation. They have concentrated no less than their best forces, their elite forces, the Belloso, Bracamonte, and Atlacatl battalions, which are permanently stationed in the Guazapa region. As we all know, these elite battalions' headquarters are far from the Guazapa area, and what they have practically done is transfer their central headquarters to this zone, which Gen Blandon says he wants to clean up.

This operation also has the Air Force and the airborne battalion at its disposal. We see a retrogression in the enemy's tactical methods, because these battalions were created as rapid deployment forces. They were created as mobile forces that could respond to the FMLN's defensive initiatives throughout the entire country. As we advanced and consolidated, these elite battalions were limited to operations on the central front, and at this time the enemy's weakness is expressed by their reduced area of operations within the central front and the Guazapa region.

Therefore, this great strategic effort is not consonant with the enemy's specific results. The enemy has admitted that the cost of the war of aggression against our people is approximately $1.5 million a day. Percentage-wise, of the $1.5 million invested throughout the country, we can say with a minimum chance of error that the efforts in the Guazapa area, as part of the Phoenix Operation, is costing the enemy approximately $1 million. In order words, since the beginning of the operation on 10 January to date -- 20 days of fighting -- the operation is reportedly costing the enemy, considering only the direct maintenance of the troops and materiel, $20 million. To this, of course, we must add the attrition they are facing due to our sabotage of the war economy and transportation halts. In addition, there is an undeniable political cost in the Phoenix Operation, as the enemy does not have a political plan to offer to our people.

The incorporation of the masses into the revolutionary war is a reply to the enemy's inability to resolve the grave problems that our country and people are facing. As for the attrition suffered by its forces, based on the information we have on hand, our forces have inflicted more than 125 casualties on the elite troops, which represents an average of 7 casualties a day. If Gen Blandon, the high command, and advisers should insist on maintaining these forces in Guazapa indefinitely, and if the current trend of seven casualties a day continues, we can say that we could totally dismantle an elite battalion in less than 6 months. In other words, the economic cost as well as the physical and moral erosion of the troops are factors that will go against the objectives supposedly pursued by Gen Blandon, as the operation lengthens and becomes stagnant. A proof of the stagnation of this large Phoenix Operation is that at the conclusion of what they call the first phase of the operation, Gen Blandon is no longer heading it. He has delegated this responsibility to Colonel Leopoldo Hernandez, of the 1st Brigade.

Now, what are the results, in quotes, that this colonel offers us? He made a ridiculous statement, according to which the only achievement has been the discovery of seven beehives, a few bags of millet, a [word indistinct] typewriter, all of which is costing millions of dollars. In other words, each beehive is costing the enemy approximately $1 million a day, and each bag of millet is costing hundreds of thousands of dollars. This shows that the plan has failed and is bogged down.

[Question] In a recent statement to the press, Gen Blandon told the press that 232 civilians who were at the San Francisco sugar mill had been rescued by the Armed Forces and were being protected. What is your opinion?

[Cabral] Well, we must say that this statement shows the high level of cynicism of Gen Blandon, the high command, and the advisers. As we know, the counterinsurgency war is mainly directed against the civilian population. In other words, it is a war against the people. This is particularly so in Guazapa, although it includes the entire territory, as we can see it happen in all regions of the country. In carrying out its counterinsurgency plans, the enemy deprives or tries to deprive the people of their right to live in the place where they were born, where they work, and where they have their few and modest properties. We believe that this is an attack against our people's right to their political option to decide where they want to live. Gen Blandon cannot say that the large number of Salvadorans who have sought refuge abroad, those who have left the country, and the numerous people who for many years lived in the areas now stricken by this war of aggression have left their homes because they wanted to. They have left simply because they had to protect themselves from the puppet Army's cruel and inhuman attacks. In other words, we believe that Gen Blandon's statement has no moral basis whatsoever, and that our people throughout the country, and particularly in Guazapa, have heroically defended their right to live in peace, as hard-working people who demand a resolution of their basis needs, which has been denied historically them.

In addition to the fact that Gen Blandon's statement has no moral basis, the vast attacks on our people have become so evident that the UN Human Rights Commission has condemned the counterinsurgency policy, as it violates the Geneva Convention and the most fundamental human rights. The resolution states that as long as the so-called masses do not participate directly in combat -- even though they may sympathize with, accompany, give food to, or live in areas controled by the guerrillas -- and maintain their status of civilian population, they should therefore not be targets of military attacks or forceful dislodgement by the government forces. However, in practice, the high command, the advisers, and Blandon in particular, continue with a policy aimed at exterminating our masses and population, destroying houses, crops, and properties. We call it a scorched-earth policy. In other words, the Phoenix Operation would be better called the Atilla operation, as it is in practice aimed at reducing to ashes all of the population's properties, violently dislodging and resettling them, further aggravating our people's social conflict, and trying to accomplish what is described in the counterinsurgency manuals as getting the fish out of the water.

[Question] Based on the development of the Phoenix Operation so far, and the FMLN's political-military achievements in the area and nationwide, what results can be expected from this desperate effort being carried out by the enemy?

[Cabral] We can affirm categorically that, first of all, this strategic effort being conducted by the enemy will not prevent us from advancing in the process of building and accumulating our political-military forces; the enemy will not prevent us from increasing our war of attrition against its forces. In this case, we have a great opportunity to increase our war of attrition against its elite forces.

Furthermore, the enemy will not prevent us from (?expanding) our theater of operations to the entire country, and of generalizing the people's revolutionary war. The enemy's effort will not keep us from using the fighting strength of the masses, nor will it stop the regime's political crisis, or ease the economic crisis in which the country has fallen due to the ineffectiveness of the counterinsurgency plan to solve the crisis. In sum, we can say that it is a desperate measure that solves absolutely nothing. We believe that this step taken by the enemy is aimed at intensifying the war against the people, it represents a quality step within the counterinsurgency strategy for El Salvador. It is a complex and highly expensive plan and also very risky for them, because its defensive nature calls for very cautious moves. This cautiousness, this conservatism presents very favorable targets for us and our forces. What the enemy has done is to transfer the defensive cordon it had laid out to defend the capital, which is its strategic rearguard, to an outpost in the Guazapa low areas. This has resulted in an imbalance of its military forces, which as the operation advances, and the enemy suffers larger defeats, will have strategic importance. In other words, we will have great possibilities of striking the enemy everywhere in the country.

We must stress that the (?deployment) of the elite battalions in Guazapa has resulted from the weakness and inability of the regional troops to carry out the counterinsurgency plan effectively. The [word indistinct] of these elite troops in Guazapa opens possibilities in Chalatenango, in the western region, and other parts of the country to further exhaust the mobilized troops from the regional forces of the various brigades positioned throughout the country. The Phoenix Operation has a weak point. The enemy's lack of political foresight, its profound economic crisis, and the stagnation of its military plan make it necessary for the enemy to gain political and military time to delay the full development of this revolutionary situation. Hence, its efforts to delay our advancements, to hinder our success. Now, the enemy's high command does not have a common viewpoint or criteria on whether this tactical method is the most suitable one to defeat us. This is a weak point, as it shows that the counterinsurgency plan is facing a profound crisis. However, that is not all. Just the ideological crisis within the high command regarding the implementation and development of the counterinsurgency plan is serious enough.

However, the most serious problem is that at the officers' middle level and troops, including the elite battalions, not to mention other forces, such as the regional forces, there is no confidence that the counterinsurgency strategy as a whole and the tactical methods that Gen Blandon has described as new are the answer to defeat the FMLN. Meanwhile, on the part of the FMLN, there is a growing process of ideological and organizational unity based on the creative implementation and development of a single policital and military line approved by our general command at its last meeting in May-June 1985. In other words, while the enemy divides itself, weakens, and suffers a political, military, and ideological crisis regarding its concept on how to wage the war against our people, the FMLN, as vanguard of the Salvadoran people advances in building and implementing a single political and military line, and advances in the process of unification, not only in the ideological field, but in the organizational field, which is very important in order to finally defeat the entire counterinsurgency project.

[Question] In conclusion, Commander Leo Cabral, what is your message to the Salvadoran people, particularly to the FMLN fighters and militants?

[Cabral] Well, first of all, we would like to stress the profound significance that the Guazapa front has for the Salvadoran revolution and for our people's struggle. It is so evident that even the enemy has to admit it, even against its will.

This historical meaning started with the development and emergence of the mass revolutionary fronts in the decade of the seventies, with the strengthening of our revolutionary armed forces during all these years, with the emergence of the branches of the people's power which have made of Guazapa a point of popular resistance against the counterinsurgency war, a bastion, a trench of the Salvadoran revolution. It is an invincible front. We want to adopt a slogan expressing not only the historical, but the current significance of Guazapa within the framework of our people's liberation struggle: Invincible Guazapa, an Arrow in the Enemy's Heart. It is a symbol of struggle at the national and international levels. It symbolizes our people's determination to defeat the imperialist attacks and liberate themselves.

In this sense, we express our deep and revolutionary acknowledgement to all our cadres, our party's rank and file, our study and pro-partisan circles, our commanders, our troops, and our people in general, because they have firmly demonstrated that the determining factor in this war is man and his desire to succeed. In this sense, from this trench, we salute all the FMLN fighters struggling throughout the country to defeat this new attempt by the enemy to delay our advancement and the people's triumph.

ARMY REFUTES FMLN REPORT ON DOWNED HELICOPTER

PA051507 Hamburg DPA in Spanish 1432 GMT 5 Feb 86

[Text] San Salvador, 5 Feb (DPA) -- Today the Salvadoran Armed Forces refuted an FMLN report on the downing of a "Huey 500" [as received] helicopter. The downing of the helicopter allegedly took place north of eastern San Miguel Department. The rebel station Radio Venceremos reported last night and this morning that the FMLN anti-aircraft units "had achieved another victory by downing a helicopter in San Gerardo, a village located north of San Miguel." However, reliable Army sources said today that one of their helicopters merely suffered a mechanical failure which forced it to make an emergency landing in which two of its crew members were slightly injured.

Recently, an operation has been underway in the country's northeast zone, and the two sides, the Army and the guerrillas, report having inflicted casualties on each other.

FDR CHAIRMAN ON CONTADORA, TALKS WITH DUARTE

PM060933 Madrid MUNDO OBRERO in Spanish 30 Jan-5 Feb 86 p 41

[Interview with Salvadoran FDR Chairman Guillermo Ungo by Jaime Godinho and G. Marques; date and place not given]

[Excerpt] [Question] Now that there is talk again of a renewal of the Contadora Group's activity following the meeting in Guatemala, in your opinion, how could this influence a resumption of the dialogue between the FDR/FMLN and the regime headed by Duarte?

[Answer] In principle, it would seem natural for it to be favorable, because Contadora champions a peaceful solution by means of dialogue and negotiation to the conflict in Central America; but in fact, that formula has never worked for El Salvador, which has been somewhat in the shade in the negotiations, as if it were secondary to a modus vivendi between Honduras, Costa Rica, and so forth, and Nicaragua. And this is not and cannot be so. The Central American dimension is not the same as the Salvadoran dimension. Contadora can better develop its competence in the conflicts between countries and between governments. In this respect Contadora has done El Salvador some harm, but it has also brought it benefits. We have not been a formal, official, and permanent item on the agenda at the Contadora Group's meetings, although I do believe that this is a matter of concern and interest.

[Question] What overall assessment can you make of Contadora's activity?

[Answer] I can say that the group's activity has been relative, as long as no political solution can be glimpsed in the near future. It is a very gradual process, but it offers a new possibility, a new style, if with Nicaragua's new initiative -- on which the United States has not yet commented -- and the efforts made at the Guatemala summit (on the occasion of President Vinicio Cerezo's inauguration) the diplomatic impetus and Central American negotiations can be resumed. Insofar as Contadora succeeds in surmounting the major difficulties confronting it, maybe this will be reflected in favor of the internal dialogue in El Salvador.

[Question] Do you believe that Duarte can continue the dialogue?

[Answer] It is difficult to predict. All that we have seen recently are publicity stunts which distort the truth and indicate a tendency to back down from what was achieved in La Palma and Ayagualo with respect to dialogue, its depth, and the nature and kind of talks. Duarte is seeking evasive moves to make us reject it. He contradicts himself by proposing first and unilaterally a "nationalized dialogue" within the country and now suggesting that we involve ourselves in another internal and private dialogue. This in itself would be acceptable if it did not rule out from the agreements that both sides decide to continue the dialogue in El Salvador [sentence as published]. These terms have been laid down with the sole aim of delaying and evading dialogue.

[Question] To what do you attribute these unfavorable signs?

[Answer] It is now very clear that Duarte's formal rank as commander of the Armed Forces does not correspond to the truth. At most, the Armed Forces may support him, but entirely on the basis of secret understandings and agreements between him and them. Duarte is supported by means of an agreement, but not because he is the commander of the Armed Forces but because the Armed Forces agree to support him and cover him for that reason as well.

GUATEMALA

CEREZO DISSOLVES DIT; 600 MEMBERS 'SUMMONED'

PA060125 Hamburg DPA in Spanish 2324 GMT 5 Feb 86

[Text] Guatemala City, 5 Feb (DPA) -- The feared secret police organization of Guatemala, known as the Department of Technical Investigations (DIT), was suspended today by President Vinicio Cerezo Arevalo in what is considered the most important political move of his government in the past 3 weeks. This afternoon, in the presence of reporters, Cerezo signed the decree dissolving the DIT and announced a reorganization of the state security forces in order "to offer better services to the people."

DIT agents have been accused of murders, kidnappings, and other crimes in the past, and President Cerezo pointed out today that in view of the high percentage of thefts, kidnappings, and violence in general during the first days of his government, including the discovery of bodies with signs of torture, it has been concluded that the DIT was not complying with its responsibilities to protect Guatemalans; instead, some sectors have blamed DIT agents for these acts.

He explained that the law has been heeded at all times, that in a surprise move, some 600 members of the DIT were summoned to be investigated and in order to determine which of them may continue serving in the police, but in uniform and in another organization. Despite the surprise move, 20 agents were able to evade the action and are being hunted, President Cerezo reported, adding that the DIT activities for the time being will be handled by the uniformed police.

Besides this, the Guatemalan section of Interpol (International Police), which operated within the DIT, will now be under the Ministry of Government (Interior).

The chief of state also reported that the measure was imposed in view of the high percentage of delinquency in the past few days, as in the past 3 weeks there have been 370 automobiles stolen and 175 violent deaths, including 100 in traffic accidents, and 55 killed by gunshots or by knife wounds, among others. He said the authorities will control firearms through instructions to be revealed by the Interior Ministry.

The president revealed that Guatemala, with 8 million inhabitants, only has 8,000 policemen, of whom 2,000 are traffic agents, and there are only 26 patrol cars in service.

He concluded by indicating that reorganization of the Guatemalan security corps will take from 8 to 10 months, to create a criminal investigations police quite different from the one being dissolved, for which the government will request technical assistance from friendly countries through manuals, systems, scholarships, and training.

CEREZO RULES OUT DIALOGUE WITH REBELS FOR ONE YEAR

PA060700 Panama City ACAN in Spanish 0140 GMT 6 Feb 86

[Text] Guatemala City, 5 Feb (ACAN-EFE) -- President Vinicio Cerezo has told ACAN-EFE that he "will not talk with the rebels for a year" because during that time he expects to achieve a full de jure state. The Christian Democratic president added that once the country has been politically, economically, and socially organized, he will invite the rebels to join the institutional life.

In addition, Congress President Alfonso Cabrera Hidalgo said: The government will not hold a dialogue with the guerrillas because the struggle for power in Guatemala is a political one, not an armed one." Cabrera Hidalgo had learned about statements made by Cuban President Fidel Castro during the congress of the Communist Party of Cuba in Havana saying that he advocated a solution negotiated by the guerrillas and President Cerezo. Hidalgo, who is also secretary general of the Guatemalan Christian Democratic Party, DCG, rejected Castro's proposal.

Hidalgo said: "Mr Castro can make all the statements he wants about his own country, but, with due respect, he should not make any statements about Guatemala."

He added: "We believe in the free determination of peoples. As a sovereign country, we do not accept any opinion on what the solution should be because we have the ability to solve our own problems and we have shown that we are politically mature and have a sense of responsiblitiy."

Hidalgo said: "We would have to consider Mr Castro's idea of a dialogue since those of us who rule Guatemala are creating the fundamental conditions to uphold democracy." He further said: "Here in Guatemala the struggle is political rather than armed. Therefore, we cannot compete with the rebels." He stressed that the people chose the government that they wanted through the elections.

In conclusion, the DCG leader said: "The armed groups cannot expect a political invitation, since the Constitution has made it clear that all sectors can participate and not be outlawed, as the Communist Party has been outlawed in the past."

U.S. ROLE SEEN IN LOPEZ REYES' RESIGNATION

PA050942 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 4 Feb 86

[Station commentary]

[Text] General Walter Lopez Reyes' resignation as commander in chief of the Honduran Armed Forces has not taken place in accordance with the normal procedures followed in the replacement or resignation of a commander in chief of the Armed Forces. The whole matter has been shrouded in a veil of utmost mystery, which in turn has portrayed us in the international arena as a country taken over and handled like a puppet.

Yesterday THE NEW YORK TIMES carried a report saying that the CIA definitely had something to do with the military crisis which led to Gen Walter Lopez Reyes separation as commander in chief of the Armed Forces.

How much truth is in this report by THE NEW YORK TIMES? Well, as a general rule, this newspaper gets its information from absolutely reliable sources and its articles are likewise authenticated by very creditable sources. Whether absolutely or partially true, the fact is that this article published by THE NEW YORK TIMES is bad publicity for our country and once again we enter the international arena through the back door.

What THE NEW YORK TIMES has published about Honduras makes us appear in the eyes of the world as an occupied country being handled like a puppet.

The presence of large numbers of U.S. troops to carry out joint exercises and maneuvers with our soldiers already presents us as a militarily occupied country. Reports from newspapers like the one carried by THE NEW YORK TIMES, which says that Honduran policies are decided by the CIA, makes us look even more like an occupied and dominated country.

These stories circulating in New York and Honduras have resulted from the unrest caused by the fall of Gen Lopez Reyes, a military officer who was apparently leading the military institution very well along the path of dignity, so that we could hold talks with the great nation of the north on an equal basis and under the best of conditions.

What did Gen Walter Lopez Reyes do to annoy the U.S. Government? Could it have been that Honduras was demanding an immediate review of military agreements and treaties signed more than 30 years ago between our country and the United States?

Could it have been that Honduras was asserting its sovereign right not to allow the planning or implementation of an invasion of Nicaragua? Could it have been that the Honduran Government did not permit our territory to be used to deliver lethal or non-lethal aid to the counterrevolutionaries?

Since Gen Walter Lopez Reyes supported these positions which did not suit nor please the current U.S. policy, we must conclude that Gen Lopez Reyes no longer had the U.S State Department, nor the rest of the U.S. Government's sympathy.

Through its ambassador, the U.S. Embassy -- probably by a diplomatic lapse -- went to Honduran political group meetings in open violation of an agreement not to meddle in the internal affairs of another country.

These are the situations which present us as a country that seems to have no freedom to make its own decisions, is governed by international pressures, and whose fate is being decided by powerful foreign forces.

Meanwhile, Colonel Efrain Gonzalez Munoz, acting chief of the Armed Forces, held a news conference yesterday in which he categorically denied that there was any foreign involvement in Gen Lopez Reyes' resignation.

Showing total control of the situation and acting the way the military should act in a democracy, Col Gonzalez answered all questions regarding the Armed Forces' internal situation, never showing any indication of division among the top-ranking military chiefs.

He did insist that there was no local or outside pressure to make Gen Lopez Reyes quit as commander in chief of the Armed Forces. We could accept that there were no local pressures, but it is hard to believe this, especially since it was publicly known that the United States did not approve of recent stands taken by Suazo Cordova's government, which at the last moment had assumed an intransigent attitude regarding the nation's interests.

Part of the unrest among the Hondurans, as a result of all these stories, is due to the natural concern of every good citizen about the conduct of the new officers who are going to run the Armed Forces.

Yesterday Col Gonzalez acted in a composed, serene, and praiseworthy manner when he talked to the newsmen. When a newsman asked him if the Armed Forces would confirm their support for the constitutional government, Col Gonzalez said there is no need to reiterate the Armed Forces support for the constitutional government because according to the Constitution it is the duty of the Armed Forces to safeguard the nation and all its institutions.

If we accept the words of the military officer, who is currently the acting chief of the Armed Forces, then there are enough reasons to believe that the military has decided to respect the state's institutions. This is indeed a big step forward for democracy in Honduras.

We began this commentary by noting concern over the CIA's involvement in Gen Lopez Reyes' resignation and we are going to close it by accepting the military statement of obedience to our institutionality.

The best medicine is to resign oneself to accept the unchangeable facts, such as knowing that year after year we celebrate our independence from Spain, yet we insist on concealing our dependence on those who claim to be our best allies.

NICARAGUA

REAGAN STATE OF THE UNION ADDRESS CRITICIZED

PA051446 Managua Radio Sandino in Spanish 1243 GMT 5 Feb 86

[Text] The Nicaraguan revolutionary government has criticized the address by U.S. President Ronald Reagan announcing that he will ask Congress for more aid to the Somozist mercenaries. Miriam Hooker, spokeswoman for the Nicaraguan Embassy in Washington, said that instead of continuing to finance and direct state terrorism against the people of Nicaragua, the U.S. Administration should honestly and decisively support Latin America's efforts to achieve peace.

During last night's address to the Congress, Reagan said: Undoubtedly, there is no more important issue for peace in our hemisphere, for security within our borders, and for the protection of our vital interest than achieving democracy in Nicaragua and protecting its democratic neighbors. He added: This year I will ask Congress that I feel we must ask for this great and good cause. He said this in a clear reference to the 100 million dollars in aid for the counterrevolutionaries.

D'ESCOTO SAYS U.S. VIOLATING INTERNATIONAL LAW

PA052204 Managua Radio Sandino in Spanish 1200 GMT 4 Feb 86

[Text] Nicaragua charged in the United Nations last night that the meeting between top White House officials and counterrevolutionary leaders is confirmation of the warmongering policy against Nicaragua.

A UN dispatch states that a letter sent by Foreign Minister Miguel D'Escoto to U.S. Secretary of State George Shultz describes statements made by Shultz on 28 January after a meeting with the mercenaries as a violation of the most fundamental principles of international law.

At the end of your meeting with the leaders of the criminal groups that your government has created, directed, financed, and trained, you expressed your full support for this terrorist organization's desire to overthrow the Nicaraguan Government, Foreign Minister Miguel D'Escoto Brockman adds in his letter to Reagan's spokesman.

ORTEGA RECEIVES MESSAGE FROM AZCONA ON RELATIONS

PA060337 Managua Radio Sandino in Spanish 0000 GMT 6 Feb 86

[Letter from Honduran President Jose Simeon Azcona Hoyo to Nicaraguan President Daniel Ortega; "released this afternoon" — read by announcer]

[Text] I address you to thank you for your kind note of 27 January. I regret that you were unable to attend the events surrounding the transfer of power for which you received our most cordial invitation. However, I understand perfectly that unexpected, urgent matters compelled you to remain in Nicaragua.

I was highly honored to receive the high-level delegation headed by Vice President Sergio Ramirez Mercado that you designated to represent the Nicaraguan Government and people.

I am pleased to advise you that in the spirit of the conversations we held in Guatemala on the occasion of President Vinicio Cerezo's assumption to power, my government is fully willing to help expand and strengthen friendship ties based on the common history we share with Nicaragua and the other Central American sister nations, always in the pursuit of solutions that will benefit all of the Central American community.

In conveying to you my highest regard for your message wishing me success in my governmental duties, I take this opportunity to reiterate to you the highest token of my personal consideration and esteem.

Sincerely, Jose Azcona Hoyo, president of the Republic of Honduras

DEFENSE MINISTRY REPORTS 111 CONTRA CASUALTIES

PA060220 Managua Radio Sandino in Spanish 0000 GMT 6 Feb 86

[Report issued by the Defense Ministry's Public and Foreign Relations Directorate in Managua on 5 February -- read by announcer]

[Text] From 25 January to 3 February 1986 the Sandinist People's Army [EPS], with its permanent and militia troops, dealt blows to the counterrevolutionaries, particularly in Zelaya Department, as part of the victorious strategic defeat over the counterrevolution, causing a total of 111 enemy casualties: 83 dead, 25 wounded, and 3 prisoners. A camp that was used as a command post was dismantled. Details of the outstanding clashes in Rio San Juan, Chontales, and Zelaya departments follow.

On 25 January the EPS caused nine mercenary casualties in Rio San Juan Department, in El Espino, 31 km northeast of San Miguelito, on the banks of the (Fajardo) River, and in Boco de Mejia, 36 and 40 km respectively from San Carlos. In these actions six counterrevolutionaries were annihilated, two wounded, and one taken prisoner. At Boca de Mejia two families that had been kidnapped by the mercenaries were rescued. On that same day in the Campana Hill region, 27 and 30 km north respectively of Le Gateada, Chontales Department, two counterrevolutionaries were killed. On that same day the EPS engaged in combat with the mercenary enemy on Wawasang Hill, 41 km north of Rama, Zelaya Department, where seven counterrevolutionaies sustained casualties, one dead and six wounded. There was a clash in the Wasmuk Hills area 40 km southeast of San Pedro del Norte, in Zelaya Department, where three countrerevolutionaries were killed. A clash took place in La Trinidad, 14 km northwest of Santo Domingo, Chontales Department, where the counterrevolutionaries sustained eight dead. In the (Comarca La Maravilla) region, 33 km east of Santo Domingo, the counterrevolutionaries sustained two more casualties and military supplies were seized.

On 27 January the EPS clashed with a group of counterrevolutionaries in the Cano Tipilma area, 10 km southeast of Bocana de Paiwas, Zelaya Department, where two Somozist guards were annihilated. On that same day there was a clash in Las Delicias, 24 km southeast of San Pedro del Norte, Zelaya Department. Five counterrevolutionaries were killed in that action.

On 31 January there were two clashes in the (Cano El Machete) area, 33 km southeast of Rama, Zelaya Department, where -- in the first clash -- the counterrevolutionaries sustained 13 casualties: 6 dead and 7 wounded. In the second clash the counterrevollutionaries sustained six more casualties, including two dead.

On 1 February the counterrevolutionaries' defeat continued 28 km southeast of Rama, Zelaya Department, where the EPS troops took over a mercenary camp. Four counterrevolutionaries were killed in this action, and six others were wounded. The camp's command and medical posts were occupied, while a common grave containing the bodies of eight contras was also found.

Matagalpa and Jinotega

On 28 January there was action in Cano de Tawa, 22 km and 24 northwest of Rio Blanco respectively, in Matagalpa Department, where the enemy sustained five casualties, including four dead. In Wanawas, 14 km north of Rio Blanco, seven counterrevolutionaries were annihilated.

On 31 January two clashes with Somozist bands took place in Jinotega Department. One took place in (Comarca La Lana), 17 km southwest of San Jose de Bocay, where five counterrevolutionaries were killed. Military supplies were seized here. The other clash took place 20 km northwest of Wamblan, where eight mercenaries were killed.

On 31 January and 3 February there were clashes in Zelaya Department in the area of (Comarca Camali) and Mosquito Hill, 23 and 29 km east of Waslala respectively, in Matagalpa Department, where six mercenaries were annihilated and military supplies were seized.

On Sunday, 2 February there was a clash in (Comarca El Tabao), 30 km southwest of San Jose de Bocay, Jinotega Department, where five mercenaries were killed.

MATERIALS SHORTAGE FORCES BARRICADA TO CUT PAGES

PA040329 Managua BARRICADA in Spanish 3 Feb 86 p 1

[Communique issued by BARRICADA on 3 February in Managua]

[Text] The shortage of materials important for the publication of BARRICADA -- paper, plates, and other materials -- has forced us to drastically cut down on the number of pages we were normally printing for our reader -- 68 pages weekly.

The acute shortage of foreign currency, which is also affecting BARRICADA and other industries in the country, has seriously affected our supply of materials. It is for this reason that in the following days -- which we hope will be short -- we will be alternating from 4 to 8 pages every other day, the number of pages of our newspaper.

We request our readers' understanding, and we will be reporting in due time any change to be made in respect to this situation.

FOREIGN DELEGATES ADDRESS 2D DAY OF PCC CONGRESS

Opening Session

FL051502/FL052008 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1412 GMT on 5 February begins live coverage of the second day of the Third PCC Congress from Havana's Palace of Conventions. The establishing shot is a still of the PCC emblem and the camera cuts to the Tele-Rebelde announcer inside the Palace of Conventions.

At 1413 GMT, the camera gives a close up shot of President Fidel Castro. The camera then backs away and shows the dais on the stage where also present are Politburo members Carlos Rafael Rodriguez, Jose Ramon Machado Ventura, Raul Castro, Jorge Risquet, Ramiro Valdes, Julio Camacho Aguilera, Juan Almeida Bosque, Guillermo Garcia Frias, Armando Hart Davalos, Sergio del Valle, Osmani Cienfuegos, and Blas Roca. Fidel and Raul Castro are in military uniform.

The announcer reports that yesterday's opening sessions will be rebroadcast at 0200 GMT on 6 February. The announcer also says discussions have begun on the main report delivered by Fidel Castro.

The Tele-Rebelde announcer reports that the morning session will include the welcoming of the foreign delegations including the Soviet delegation headed by Yegor Ligachev, CPSU Politburo member and secretary of the Central Committee.

According to the announcer, in addition to discussions on the main report, this morning's session will also include speeches by the CPSU, Vietnamese, Guinea-Bissau, and other foreign delegations. An analysis of the main report is also expected at today's session, says the announcer.

At 1419 GMT, the announcer reports that the delegates are now holding discussions on the main report. He then announces that the camera is returning to the studio to resume regular programming.

Havana Domestic Television coverage of today's morning session opened with a pan shot of the dais and the sitting order of the Politburo members was as follows: (from left to right facing the camera) Julio E. Camacho Aguilera, Jorge Risquet Valdes, Pedro Miret Prieto, Carlos Rafael Rodriguez, Ramiro Valdes Menendez, Jose Ramon Machado Ventura, Fidel Castro Ruz, Raul Castro Ruz, Juan Almeida Bosque, Guillermo Garcia Frias, Armando Hart Davalos, Sergio del Valle Jimenez, Osmani Ceinfuegos Gorriaran, and Blas Roca Calderio.

Afternoon Recess

Havana Radio Rebelde Network in Spanish at 1945 GMT on 5 February reported the following: "At 1310 this afternoon, Comrade Jorge Risquet announced a recess. The afternoon session of the Third PCC Congress will resume at 2010 and will be presided over by Armando Hart Davalos.

Among the Cuban delegates who spoke today on the main report were (Evis Blas) Gonzalez, Pedro Izquierdo, Arquinides Morales from Camaguey, Matanzas, and Ciego de Avila, respectively. Other delegates who spoke include Aldo Hernandez Prieto and Elsa Pedroso.

Aslo speaking today were delegates from the USSR, Nicaragua, Guinea-Bissau, GDR, Bulgaria, CSSR, and DPRK.

Speaking at the morning session were Cuban delegates Nelia Ramirez, Roger Sanchez, Ramona Medina, and (Bruicelda) Hernandez Hidalgo.

The Haitian delegation granted a press conference for national and foreign journalists who are covering the congress.

USSR's Ligachev Addresss

For a Moscow TASS text of the speech given by Yegor Ligachev, head of the CPSU delegation attending the Third PCC Congress, member of the CPSU Politbureau, and secretary of the CPSU Central Committee, see the Latin America & Caribbean section of the 6 February Soviet Union DAILY REPORT.

Nicaragua's Daniel Ortega

PA051741 Managua Domestic Service in Spanish 1542 GMT 5 Feb 86

[Speech by Commander of the Revolution Daniel Ortega, president of Nicaragua and coordinator of the FSLN Executive Committee, at the Third PCC Congress in the Palace of Conventions in Havana -- live]

[Text] Esteemed Companero Fidel Castro, companero delegates and guests: I bring greetings from the FSLN militants to the militants of the PCC who are today holding their Third PCC Congress. We are bringing a fraternal message from Sandino's heroic people to Marti's heroic people.

Cuba is a symbol of dignity, resistance, and combativeness in Latin America. Cuba is an example of a people's determination when they decide to be free in the face of the terrorist actions of Yankee imperialism. To speak of Cuba is to speak of the heroic resistance against the invasion in Giron. It is to speak of the people's firmness in the face of the criminal blockade. It is to speak of the internationalism of thousands of Cubans who have given their blood and sweat in favor of sister peoples. To speak of Cuba is to speak of an indestructible people who have an indestructible party that is today holding its Third Congress. To speak of Cuba is to speak of Fidel, leader of this people. [applause]

We have listened to the report presented by Companero Fidel. It stresses concrete elements that enrich the experience of these past 5 years, especially when this experience is critically analyzed, valuing the successes and pointing out the errors. It assesses the productive, educational, and health efforts based on the concern to imporve the people's living conditions. It assesses the political efforts to guarantee the great organizational tasks of the people. An effort has been carried out in the ideological field to strengthen the people's consciousness.

In the report presented yesterday we have learned of the tasks undertaken by the workers, peasants, youths, women, soldiers, technicians, professionals, and party militants. The balance is positive with a stronger revolution and with a more developed party, above all, marching with open eyes to avoid the obstacles that are in its path. We have learned in the report about the just and dignified positions that Cuba has upheld in the international field in the defense of sovereignty, the self-determination of peoples, and peace. We were especially moved by the generosity of its heroic people who despite their limitations, struggles, and sacrifices, give their best and share their blood and bread with sister peoples who defend their freedom and independence in various regions of the world. [applause]

In Nicaragua, we are witnesses of the internationalist disposition of the Cuban people.

Ever since the struggle against the Somozist dictatorship, the blood of Cuban revolutionaries has mixed in Nicaraguan soil with the blood of Nicaraguan revolutionaries. In these past years, the blood of Cuban internationalists who were providing their cooperation in various specialties has again been shed in Nicaraguan soil, victims once again of the imperialist policy that assassinated Sandino, Che, and Allende, and that procreated Batista, Somoza, Duvalier, and Pinochet.

Nicaragua is facing the terrorist policy of the U.S. rulers. The U.S. Government is infuriated by the small countries' boldness in struggling for a new type of relations. The United States has the bad habit of exploiting us, disrespecting us, refusing to speak to us, and treating us like slaves. Today they are angry because Nicaragua is free, because Nicaragua decides who its friends are, because Nicaragua defends the policy of nonalignment, and because, among other things, we have relations with Cuba.

Nicaragua will continue defending its right to have relations with all countries of the world, including the United States, but they must be respectful relations. Our relations with Cuba are friendly, fraternal, and respectful. They are relations that are unalterable and nonnegotiable. They are relations sealed with the blood of Cuban internationalists. [applause] They are relations sealed with the blood of Cuban internationalists who have fallen on Nicaraguan soil and of Nicaraguan internationalists who have fallen on Cuban soil.

They [the United States] are trying to justify their terrorist policy towards Nicaragua by accusing our homeland of being the sanctuary of the Salvadoran revolutionaries. We all know perfectly well that as long as there is injustice, exploitation, and lack of freedom, there will be revolutions and that if in El Salvador there is a revolutionary struggle it is because there has been a lack of justice and democracy and because the Salvadoran people have not been respected.

This Third Congress is taking place when the threats of the nuclear hecatomb are being brandished by the U.S. rulers in a policy of universal blackmail that is rejected by the peoples of the world. One can no longer deny the extraordinary efforts that the Soviet Union carries out in favor of peace. It is now the United States' turn to reply as to whether it is effectively in favor of peace and detente and whether it will act with wisdom.

Last night in his State of the Union Address, Reagan asked for a higher budget for the arms race and proposed budget cuts for the U.S. people. Last night, Reagan requested more funds for the mercenary forces that kill women and children in Nicaragua.

The United States would make better use of those funds that it is requesting for the mercenary forces if it devoted them to relieving some of the problems of the people who die from hunger in the United States and who are now suffering from budget cuts. It would be better if, instead of giving that $100 million or $130 million to the mercenary forces, the United States would give them to the Honduran and Costa Rican Governments so that they can invest them in houses and health centers for the Honduran and Costa Rican people who need them so much.

The U.S. Government leaders may approve $130 million for the mercenary forces or $1.3 billion [figure as heard] for the mercenary forces; however, even with $130 million or $1.3 billion, the mercenary forces will continue to be defeated by Sandino's people. [applause]

Nicaragua wants peace with dignity and, for that reason, we have endorsed the Latin American effort that was made by the Contadora and Support Groups through their recent Caraballeda initiative.

It does not reject the position that Nicaragua adopted on 11 November 1985, when we asserted that the United States' direct, indirect, or covert aggressive policy must end in order for favorable conditions to exist to reach a peace agreement.

We have stressed that the peace document that the Contadora Group submitted in September 1985 is unacceptable to Nicaragua, and that work must be done in every respect on a peace proposal that will first respect the principle of the self-determination of the Central American peoples. We trust that the worthy Latin American peoples and governments will not yield to the U.S. blackmail. To defend Nicaragua's right to self-determination and peace in Central America means to defend the right to self-determination of Latin America and the Caribbean as well as to defend our right to struggle against the financial blackmail to which we are being subjected by the creditors of a debt that is unrepayable and, therefore, uncollectible. It means defending the right to struggle for a new economic order; it means defending the right to peace.

Dear Companero Fidel, delegates and guests: Upon conveying this greeting from the Nicaraguan people, we wish to stress the greeting from the Nicaraguan workers, peasants, youths, and women. Today, we are wielding the liberating rifle in a struggle without quarter against the mercenaries of the Pentagon and the CIA. Today we wish to stress the greeting from thousands of peasants and workers who have shared their humble homes with the Cuban doctors and teachers who have arrived in our land to give up everything, even their lives, for the satisfaction of fulfilling their duties, thus winning the love and respect of our people.

Long live the Third Congress of the Cuban Communist Party! Long live the friendship between Cuba and Nicaragua! Cuba and Nicaragua, united they will overcome! Long live peace! [applause]

GDR's Horst Sindermann

FL052355 Havana Tele-Rebelde Network in Spanish 1702 GMT 5 Feb 86

[Speech by Horst Sindermann, member of the Socialist Unity Party of Germany Central Committee Politburo and president of the GDR People's Chamber, at the Third PCC Congress in the Havana Palace of Conventions; in German with simultaneous Spanish translation -- live]

[Text] Dear Comrade Fidel Castro, dear comrades: Allow me to bring you, delegates to the Third PCC Congress, the combative and fraternal greetings of the GDR communists and their secretary general, Comrade Erich Honecker. [applause] We have accepted with great satisfaction the invitation from the Central Committee of our brother Cuban party to participate in the Third PCC Congress of the communists on the isle of freedom, because your congress has great historical importance. We heard with enthusiasm and emotion the report issued by the Central Committee, which was presented by Comrade Fidel Castro and is characterized by revolutionary and internationalist motivations. Socialist Cuba is planning for the third millenium.

Your congress, dear comrades, shows us vividly the great achievements attained by the brother Cuban people under the accurate leadership of their Communist party, for the development of a new social and deeply humanitarian system: socialism. Firmly united with the socialist community, Cuba has attained evident achievements in the creation of socialism's technical-material base and the defense of these achievements. The Cuban people have continuously strengthened, under the second congress' slogan of production and defense, their defensive capacity and strongly countered every imperialist effort to turn back the hands of time in Cuba.

We value highly the contribution that you, dear Cuban comrades, are offering to the strengthening of our socialist community.

You have made a reality of the better and more just new world for which the sons of this homeland, national hero Jose Marti and many others, struggled for many decades. A strong agro-industrial socialist state rose [words indistinct] backward and semicolonial state, and it now exhibits developed industry, efficient agriculture, and an exemplary health and public education system. Its solidarity attitude towards anti-imperialist movements and its self-sacrificing internationalist aid have become a symbol of socialist Cuba and Fidel Castro's personality throughout the world. [applause] Honor to the heroic Cuban people, who allow no one to take away their torch of liberty! [applause]

Dear comrades, the United States' "star wars" program has given rise to a rebellion throughout the world. An increasingly strong and resolute clamor is heard in every language to stop that madness, stop the most rash arms buildup in history, and prevent the militarization of outer space. The meeting between Mikhail Gorbachev, secretary general of the CPSU, and U.S. President Ronald Reagan in Geneva was aimed at achieving this goal. This meeting represented a success for the Soviet Union and the socialist community's consistent peace policy. It represented a success for all the forces that struggle for peace in the world.

The program for overall disarmament presented by the Soviet Union as a continuation of the Geneva meeting offers a great opportunity to free the world, once and for all, from the scourge of a nuclear war. We, the communists, offer this opportunity to all the peoples of the world. The world must seek increasingly to achieve world development, Erich Honecker emphasized during the last plenary session of the SED Central Committee. We must now urgently struggle to achieve peace.

Dear comrades, our party and people are engaged in the preparation of the 11th SED Congress, which will be held in April 1986 in Berlin. The workers of our homeland are aware of their duty and are exerting all their energy and creative spirit to carry forward our party's policy, for the sake of building a developed socialist society in the GDR. The political leadership of the GDR society is in the hands of our party, which has proven its efficiency and become consolidated and strengthened.

Following the 10th congress the advantages of socialism have become linked overall with the results obtained by the scientific-technical revolution. Guided by the SED's economic strategy, we have taken a turn toward the overall development of our economy, thus guaranteeing a dynamic economic growth. We continue, imperturbable and consistent, to carry out the main task outlined by our party: to improve our people's welfare, which essentially means we must view our economic and social policy as a whole.

Our workers and peasants state has become increasingly strengthened; the GDR's stability within the socialist community has become stronger; and the GDR's fraternal alliance with the Soviet Union and its Communist Party is unbreakable. Our policy of using a constructive dialogue and struggle to create a coalition of wisdom and realism for preventing a nuclear conflagration at the world level, thus safeguarding peace and security, is our contribution within the framework of the joint peace strategy advocated by the socialist community.

Dear comrades and Cuban friends, the GDR and the Republic of Cuba are united by the bonds of friendship that characterize brother socialist countries. The joint efforts exerted by our peoples in the construction of socialism and the defense of peace, plus the success achieved in this concern, have strengthened this alliance. The personal contacts between our top leaders, Comrade Erich Honecker and Comrade Fidel Castro, plus the close friendship that exists between them, are an eloquent proof of this alliance. [applause]

Our collaboration will continue to bear fruit in all the phases of our social life, supported by the firm base of the treaty for peace and cooperation between the GDR and the Republic of Cuba, which was signed in May 1980. This becomes particularly important given the new 5-year period that begins and will further develop the socialist society in our countries.

Our people are firmly convinced that socialist Cuba is its authentic friend and faithful ally. [applause] We must assure you once more that the GDR will continue to stand fraternally beside Cuba in any situation. [applause] You may count on our solidarity at all times. [applause] Our people will continue to offer their active solidarity to the peoples in Latin America, Aria, and Africa during their struggle for national liberation. Our people feel particularly linked with the struggle being waged by free Nicaragua for the defense of its revolutionary achievements. [applause]

Allow us, dear Cuban comrades, to wish you success during this significant congress, which will give historical impetus to the future development of your party and state.

Long live the friendship between our parties and brother peoples! [in Spanish][people shout: viva!] and its first secretary! [applause] Long live socialism! [people shout: viva!] [applause]

CPCZ's Milos Jakes

FL060150 Havana Radio Rebelde Network in Spanish 1923 GMT 5 Feb 86

[Speech by Milos Jakes, member of the Presidium and secretary general of the Communist Party of Czechoslovakia [CPCZ] Central Committee, at the Third [PCC] Congress in Havana's Palace of Conventions: in Czech with simultaneous Spanish translation -- live]

[Text] Dear comrades, dear Cuban friends: Allow me to convey, on behalf of the [CPCZ] Central Committee, our sincere satisfaction at being able to participate in the deliberations of the Third PCC Congress. We extend to you and to all the Cuban Communists and heroic Cuban people the warm and fraternal greetings of the CPCZ Central Committee and its secretary general, the president of the Czechoslovak Socialist Republic, Comrade Gustav Husak, the Czechoslovak Communists, and all our people.

We heard with interest the general report presented by the first secretary of the PCC, Comrade Fidel Castro, an outstanding and well-known figure in the international communist and labor movement who is greatly respected throughout the world. Czechoslovak Communists and all our people follow this empathy the achievements you have attained in building your socialist society, under the PCC leadership, in all the sectors of your social life.

Revolutionary Cuba today has firm links with the socialist community. It is the first country on the American continent that has successfully implemented Marxist-Leninist ideas, faithfully enforcing the revolutionary legacy of the great patriot Jose Marti. Your achievements and general perspectives for Cuba's future development are increasingly gaining sympathy throughout the world. We are quite aware that you are building socialism under difficult conditions. Imperialism, above all U.S. imperialism, has not abandoned its goal of imposing its hegemonic plans. It would like to wipe the Cuban revolution and the Sandinist people's revolution from the Latin American map. It would like to curtail the growth of national liberation movements in Central America and progressive forces throughout the world. We will be able to counter these dangerous plans only with a joint effort by all the democratic and peace-seeking forces in the world.

We are firmly convinced that nothing will turn back the courageous Cuban people from the road they have chosen. Proof of this can be found in Cuba's recent history. The Cuban people have never been alone in their historic struggle. You have had and continue to have sincere friends whom you can always trust: our country, the other socialist countries, and, above all, the Soviet Union, the country which bears on its shoulders the main burden of the struggle for social progress, liberty, democracy, and peace in the world.

We highly appreciate the firm Marxist-Leninist attitude of the PCC and its efforts to strengthen the cohesion and unity of the international communist and labor movement. Your country plays an important role in the Nonaligned Movement. Your international policy and principles; your support for countries that struggle for policies and economic independence; and your initiative to eliminate the foreign debt burden that counters these countries' development are also worthy of recognition.

Fellow comrades, the 16th congress of our Communist Party [the CPCZ] will take place in less than 2 months to outline the new goals for building a developed socialist society. We will report positive results at the congress. The demanding tasks of our country's economic development have been successfully completed, living conditions have been improved even more, and our working people's social benefits have been strengthened.

The country's accelerated social and economic development has a leading place in our efforts. This was achieved by accelerating production and quality control efforts; an overall application of scientific and technical achievements; workers' education; and increased participation in socialist economic integration. We pay special attention to the improvement of our plans for selecting and preparing cadres and the strengthening of our discipline and organization. We must continue to improve our party's political, organizational, and educational activities; strengthen our party's leading role; and strengthen the activities of the socialist state and all the national front. Likewise, we are fully aware that the attainment of goals will also depend on future international developments.

Socialist states, above all the Soviet Union, are exerting themselves to the utmost to foil the dangerous plans of imperialism's military sector, thus ensuring that mankind will be able to live in peace, free of fear of a nuclear holocaust. Czechoslovakia fully supports the Soviet Union's principles and peace-seeking foreign policy, which responds to the vital interests of all the peoples in the world. This is proven by the new and important proposals presented by the secretary general of the CPSU Central Committee, Mikhail Gorbachev. If achieved, they would lead to the elimination of all weapons, both nuclear and mass extermination, before the end of this century. These proposals have been fully supported by the entire world.

One of the main conditions for the struggle to attain peace and social progress is the economic strengthening of the socialist community. This is being multiplied constantly by the continuous development of mutually advantageous economic and scientific-technical cooperation. Thus, we attach singular importance to the economic conclusions derived from the CEMA member countries' economic summit held in Moscow in June 1984, and the complex program for scientific-technical progress outlined by these countries up to the year 2000. The program was prepared according to those economic conclusions, which also refer to the future dynamic development of the economic and scientific-technical cooperation between our two countries.

Dear comrades, there is no doubt that the third congress of your communist party will represent a new encouragement for your activities, which are aimed at the future development of your country and all society, for the sake of your economic potential and defensive capacity. We wish to assure your congress that we will exert ourselves so that the relations which prevail between our parties and brother countries will continue to develop and bear fruit in the future, for our mutual benefit; so that our joint struggle for the cohesion of all the countries in the socialist community, the international communist and labor movement, and all the forces that struggle to achieve peace and social progress will be strengthened.

We wish you, dear Cuban comrades, success in the fulfillment of all the goals established by your congress. May the friendship and fraternal cooperation that prevails between the CPCZ and the PCC and our two nations continue to be strengthened.

Long live the PCC and the heroic Cuban people! [people shout: Viva!] May your beautiful homeland, the Republic of Cuba, the isle of freedom, flourish forever! Long live socialism and peace! [people shout: Viva!] [applause]

Afternoon Session

FL052223/FL052237 [Editorial report] Havana Radio Rebelde Network in Spanish at 2104 GMT on 5 February begins live coverage of the Third PCC Congress at the Palace of Conventions in Havana. Commentator Orlando Castellanos provides a report on the afternoon session activities during the 2d day of the PCC congress, stating that it began with Minister Armando Hart presiding over the session.

The first speech was delivered by Istvan Sarlos, member of the Hungarian Socialist Workers Party and president of the Hungarian National Assembly. He was followed by Nouhak Phoumsavan, member of the Lao People's Revolutionary Party Central Committee Political Bureau and first vice chairman of the Council of Ministers in that Asian nation.

His speech was followed by a commentary from Cuban delegate Antonio Medina Roa concerning the central report presented yesterday by Commander in Chief Fidel Castro. Medina Roa's commentary was followed by a speech from B. Altangerer, member of the Mongolian People's Revolutionary Party Central Committee Politburo. Castellano adds that Marian Wozniak, Politburo member and secretary of the Polish United Workers Party Central Committee, is currently delivering a speech.

Commentator Orlando Contreras then cuts in to report that Armando Hart, who is presiding over the afternoon session, has concluded the discussion concerning the central report presented yesterday by Commander in Chief Fidel Castro. He adds that they have just confirmed at the Palace of Conventions that in approximately 25 minutes the eight work commissions scheduled to participate in the congress will begin their task. They are comprised of 655 delegates, divided as follows:

The PCC Projects Commission is presided over by Jorge Risquet, Carlos Aldana as vice president, and Jose Acosta as secretary and is comprised of 147 delegates.

The Commission for Economic and Social Guidelines in the 1986-90 5-year Period is presided over by Osmani Cienfuegos, with Lionel Soto as vice president and Julian Rizzo as secretary and is comprised of 147 delegates.

The Commission for Party Statutes is presided over by Jose Ramon Machado Ventura, with Joaquin Bernal as vice president and Abelardo Alvarez as secretary and is comprised of 147 delegates.

The Commission for the Resolution Concerning the CDP [not further identified] is presided over by Jose A. Lopez Moreno, with Joaquin Benavides as vice president and Alberto Hernandez as secretary and is comprised of 57 delegates.

The Commission for Mandates is presided over by Roberto Hernandez, with Ada Lozano as vice president and Julio Miro as secretary and is comprised of 47 delegates.

The Commission for Documentation is presided over by Dagoberto Perez, with Lucia Sardinas as vice president and Jorge Nunez as secretary.

The Commission for Appeals is presided over by Sixto Batista, with Fidel Ramos as vice president and Gladys Bejerano as secretary and is comprised of 9 delegates.

In conclusion, Contreras states that 200 foreign journalists are covering the Third PCC Congress; 96 are permanently accredited in Cuba and 166 travelled here in order to cover the congress. Following this report, the transmission returns to the main studio.

Havana Radio Rebelde Network in Spanish at 2153 GMT on 5 February resumes coverage of congress activities: "Here in the Palace of Conventions, the 4th session of the second day of the Third PCC Congress continues. Among the delegates who have spoken is Iosif Banc, member of the Political Executive Committee, Polexco Permanent Bureau, and secretary of the Romanian Communist Party Central Committee.

Nguyen Van Linh, member of the Political Bureau of the Communist Party of Vietnam, conveyed greetings from the people of Ho Chi Minh.

Speaking on behalf of the Socialist Federal Republic of Yugoslavia was Comrade (Miriam Gushov), member of the Presidium of the League of Communists of Yugoslavia.

Antonio dos Santos, head of the Angolan delegation, is now speaking. He is a member of the Politburo of the Popular Liberation Movement of Angola-Labor Party MPLA. Dos Santos brings a greeting from the president of the People's Republic of Angola, Jose Eduardo dos Santos. Antonio dos Santos is now walking to the plenary hall.

HAVANA ON REAGAN'S STATE OF THE UNION MESSAGE

FL051324 Havana Tele-Rebelde Network in Spanish 1202 GMT 5 Feb 86

[Text] Washington -- U.S. President Ronald Reagan used his State of the Union address last night to the two houses of Congress to request more military aid for the armed counterrevolutionary groups that Washington is maintaining in different parts of the world. Material and moral support for what he called freedom fighters, in Nicaragua, Angola, Afghanistan, and Cambodia, constitutes -- to use Reagan's words during his 20-minute speech -- the United States' greatest challenge.

In his speech, which was postponed one week because of the Challenger disaster, Reagan opposed cuts in U.S. military growth and defended his "star wars" project, stating that national defense is the main priority of the U.S. Government.

The only novelties in Reagan's speech were his announcement of a study of reforms of social programs which, he said, must be reviewed, and his mention of a possible international monetary summit meeting to discuss the present exchange system.

U.S. 'SPY PLANE' REPORTEDLY CIRCUMNAVIGATES ISLAND

FL060058 Havana Radio Rebelde Network in Spanish 0000 GMT 6 Feb 86

[Text] When this morning's session of the Third PCC Congress resumed following a lunch break, General of the Army Raul Castro, second secretary of the Politburo of the Central Committee, made the following statement:

[Begin recording] Companeros delegates. While we were holding this morning's first session some of you probably heard a strong explosion. Do not be frightened. It was nothing serious. No one here gets frightened. The explosion was due to the fact that between 1008 and 1112, without violating our national territory, but disturbing us with the explosions caused when it broke the sound barrier, a U.S. SR-71 spy plane circumnavigated the country. Not to take this seriously, we must interpret it as a greeting from the Reagan government to the third [appluse] to the third [applause] -- I have not finished, I have not finished -- a greeting from the Reagan government to the Third PCC Congress.

During the recess, when I was getting this information, I calculated that at the end of the third millenium, in 2985, the Cuban communists who will follow us will be holding their 203d congress. [applause] At that time, because we are in no hurry, or perhaps before, we hope that, instead of receiving a U.S. Government spy greeting for the congress of the Cuban communists, that a U.S. Government plane will come bringing the delegation of a socialist party-government, socialist -- I mean communist -- that will be in power in the United States. [applause] [end recording]

LAOS CONFERS MEDALS ON FIDEL, RAUL CASTRO

FL052017 Havana Television Service in Spanish 1800 GMT 4 Feb 86

[Text] The Supreme People's Council of the Lao People's Democratic Republic has decorated by decree Cuba's President of the Councils of State and Ministers Commander in Chief Fidel Castro and the Vice President of that organ and Minister of the Revolutionary Armed Forces Army General Raul Castro.

The nation's gold medal decoration is the highest distinction that Asian country bestows. The order was conferred to Fidel and Raul for their great contributions to strengthening friendship and cooperation between the Republic of Cuba and Laos.

JAMAICA

PARLIAMENT APPROVES SEAGA'S TAX REFORM PACKAGE

FL051830 Bridgetown CANA in English 1744 GMT 5 Feb 86

[Text] Kingston, Feb 5, CANA -- Parliament approved Prime Minister Edward Seaga's tax reform proposals last night. A key component of the package is the exemption from income tax of the first J8,580 dollars of income. A 33.3 per cent flat rate will be applied thereafter.

Seaga told the House of Representatives that the reforms will benefit 150,000 people who regularly pay more taxes than middle management and executive bracket employees. The measures, which will be retroactive to January also call for the exceptions of the first 15,000 dollar on pensions. However, tax credits for such things as savings in building societies, credit unions, insurance premiums and for children are being abolished. Perquisites are also to be assessed as part of total income, except in cases where they are definitely proved to be essential for the earning of income. There are a few legislated exceptions.

Additionally, Seaga has also applied the 33.3 per cent on interest on savings above the income tax exempt limit. The tax on savings is expected to go a long way, the prime minister said, in making up for the J200 million dollars to be lost from the reforms. The prime minister said that the government eventually intended to bring the tax exemption up to 10,000 dollars, but could not do that at this point because the loss to the treasury would be too heavy. He said the government would be bringing to parliament by April changes to the property tax laws, which are expected to raise these taxes.

Corporate tax proposals are expected by next January.

HAITI

DUVALIER INVOKES 1957 LAW TO PREVENT STRIKES

PA051503 Madrid EFE in Spanish 1428 GMT 5 Feb 86

[Text] Port-au-Prince, 5 Feb (EFE) -- President Jean-Claude Duvalier has tried to invoke an old law from the year 1957 to prevent the strike that has been called by business owners in this country.

In a press communique, which was read today over the state-run radio station, signed by the Commerce and Interior Ministries, the regime warned the Rios Enterprise [Empresa Rios] that they must abide by the law or face the consequences. The demonstrations against Duvalier have resulted in a 2-day strike, which has led to the closing of stores.

The law, which was enacted on 15 June 1957, binds business owners to keep their businesses open during work hours unless they are otherwise authorized by the government. The consequences they face are jail terms of 3 to 6 months and confiscation of their property. Foreign business owners may face the same penalties as local business owners, while the employees who cooperate with the strikes may be jailed from 1 to 3 months.

The government regulation, known as the Kebreau Law, was named after General Antonio Kebreau, who headed the military junta in 1957.

At that time, Kebreau managed to stop a strike that was similar to the one Haitians will be holding this week.

In addition, a second government communique offers assistance to businessmen whose properties were damaged during Friday's demonstrations. Political observers are waiting to the effects of the two communiques.

Businesses Fail To Reopen

PA051755 Madrid EFE in Spanish 1619 GMT 5 Feb 86

[Text] Port-au-Prince, 5 Feb (EFE) -- In open confrontation with a government order to open their businesses, small businessmen in Port-au-Prince remained closed today for the 3d consecutive day.

On Monday, the government "invited" businessmen to reopen their stores, and members of the political police, the Tontons Macoutes, visited several shops in the capital to "urge" businessmen to reopen.

Today, a climate of controntation prevails in the capital, in contrast with yesterday when everything appeared to be calm. The crowds are out in the streets awaiting a clash with the Army, which is on patrol with their M-16 rifles. Militiamen, wearing blue uniforms and carrying Israeli-made Uzi submachine guns, are patrolling the neighborhoods of the capital.

A law enacted on 15 June 1957 empowers the government to jail businessmen from 3 to 6 months and to liquidate the merchandise in their stores.

GREECE, SWITZERLAND REPORTEDLY DENY DUVALIER ASYLUM

FL051925 Bridgetown CANA in English 1855 GMT 5 Feb 86

[By Gilles Trequesser]

[Text] Port-au-Prince, Feb 5, CANA-REUTER -- Troops fanned out in the capital of Haiti today to enforce a decree ordering stores to open, as Greece and Switzerland revealed they had rejected requests for residence from beleaguered President Jean-Claude Duvalier.

Business in the bustling, impoverished capital of Port-au-Prince has been at a standstill since the Haitaian leader imposed a 30-day state of seige last Friday in a bid to quell a wave of protest sweeping the country. A government communique published on the front page of the official NOUVEAU MONDE newspaper today reminded shopowners of their obligation to open under a 1957 decree, or face up to six months in jail and a 1,000-dollar fine. The decree stipulates that under the state of seige, military authorities are empowered to enforce the rules.

Jeeploads of Army troops drove around the narrow streets and soldiers urged shopowners to open during working hours. Asked by foreign reporters what he had been told by the military, a frightened owner of a stereo equipment store in the popular Croix Bosale neighbourhood refused to answer. But he opened his store.

In Athens, a government spokesman said today that Duvalier had asked for political asylum and permanent residence in Greece but the government had turned him down.

The spokesman said the request was made to the Greek Embassy in Caracas and submitted to the Greek Foreign Ministry yesterday. The reply was negative, the spokesman said, declining to specify the reasons.

In Berne, a government spokesman said Duvalier today asked for permission to enter Switzerland with his family and about 50 other people, but the request was rejected. The spokesman said ministers debated Duvalier's request in a telephone conference, rejected it and then imposed a ban on his entering the country. No reason was given for turning away Duvalier, whose family has ruled for the past 28 years. The spokesman said the request had come from a personal representative of Duvalier in Geneva who indicated the president wanted to stay in Switzerland.

There were no reports of trouble in the provinces, although the northern city of Cap Haitien, the country's second largest, remained cut off. Military roadblocks prevented reporters from getting in. Although no death toll has been released, doctors and other sources say at least 70 people have been killed in the past week.

Diplomats said Duvalier had won some breathing space until at least next week's annual carnival. They suggested that the anti-government movement, which many Haitians openly call the revolution, could benefit from the explosive carnival revels and gain momentum.

Consulates 'Unaware' of Request

PA051729 Paris AFP in Spanish 1637 GMT 5 Feb 86

[Text] Port-au-Prince, 5 Feb (AFP) -- The honorary Greek Consulate in Port-au-Prince told AFP today that it "was totally unaware of the existence of a request made by President Jean-Claude Duvalier to Greece for political asylum." A spokesman for the Greek Government announced today that Greece had denied Duvalier's request for political asylum.

Thus, the Greek spokesman was confirming a report that appeared today in the leftist Greek newspaper ETHNOS stating that Duvalier had received negative replies from four other countries: Spain, Switzerland, Argentina, and Italy.

Moreover, the honorary Swiss Consulate told AFP that it was not aware of any such request, while the Argentine charge d'affairs stated that he did not know anything about the matter.

The Italian ambassador stated that if any steps had been taken in that regard, it was not "through the embassy" and Rome has not "issued a warning on the matter."

The Spanish ambassador in Port-au-Prince labeled the report "absurd."

Minister Denies Request Made

PA051931 Paris AFP in Spanish 1903 GMT 5 Feb 86

[Text] Port-au-Prince, 5 Feb (AFP) -- Haitian Information and Public Relations Minister Adrien Raymond today denied reports that President Jean Claude Duvalier had requested political asylum in Greece and Switzerland. The minister called two AFP journalists to his office to tell them that such reports are "completely strange."

The honorary consulates of Greece and Switzerland in port-au-Prince have told AFP that they know nothing about the Haitian chief of state making a request in this regard.

GENERAL STRIKE POSSIBLY TO START ASH WEDNESDAY

FL052058 Bridgetown CANA in English 2005 GMT 5 Feb 86

[Text] Port-au-Prince, Feb 5, CANA-REUTER — Haitians are being urged to stage an eight-day general strike next week as a protest against the government of the 34-year-old Duvalier, who rules the poorest country in the Western Hemisphere with the title of president-for-life.

Political tracts that began appearing yesterday called for the strike to start on Ash Wednesday — the first day of Lent and a major feast in this heavily Roman Catholic country — and to continue through February 20.

DUVALIER 'PRISONER'; PLANE READY FOR DEPARTURE

PA060948 Madrid EFE in Spanish 0854 GMT 6 Feb 86

[By Ricardo Medina]

[Excerpts] Port-au-Prince, 6 Feb (EFE) — While repressive measures are still in effect in Haiti, and 60 bodies have been found, a Boeing 737 waits today at Port-au-Prince's airport for President Jean-Claude Duvalier's eventual departure.

According to eyewitnesses, a truck loaded with some 60 bodies covered with blood dumped its macabre load near Bon Repos, a city located about 20 km north of the capital.

News without details arrived today from the city of Les Cayes in the south, according to which the Tontons Macoutes (Duvalier's political police) had taken revenge for last week's serious distrubances.

Since Sunday, the Haitian president-for-life has had a Boeing 737 of the national airline, Haiti Air, waiting at the capital city's international airport.

According to diplomatic sources, Duvalier has sought political asylum in several European countries, including Spain, Greece, Italy, and Switzerland, but the respective governments have refused to grant him the visas needed to stay in those countries.

White House spokesman Larry Speakes announced Friday that Duvalier had fled Haiti and that his regime had been overthrown by a civilian-military junta.

Since then, according to diplomatic and opposition sources, Duvalier has been a prisoner "of Generals Pierre Merceron and Henry Nanphy."

Since the implementation of the state of siege, at least 150 bodies have been sighted by foreign reporters, and hundreds of people have been arrested in mass raids by the Tonton Macoutes in the capital and the principal cities in the interior.

On Wednesday afternoon, several dozen Catholics gathered in front of the cathedral in Port-au-Prince, which was closed to the public after several U.S. bishops canceled their visit to Haiti and the mass they had planned to hold with bishops from the island.

HOYTE APPOINTS CHANDISINGH PNC DEPUTY LEADER

FL051238 Bridgetown CANA in English 2043 GMT 4 Feb 86

[Excerpt] Georgetown, Feb 4, CANA -- President Desmond Hoyte has appointed Vice-President Ranji Chandisingh as deputy leader of the ruling People's National Congress (PNC). The appointment of the Soviet-trained ideologue Chandisingh, who is responsible for national development and is a deputy prime minister, surprised some observers. Many thought that the job would have gone to Prime Minister and First Vice-President Hamilton Green.

Hoyte told a session of the just concluded General Council meeting of the PNC that the team of Hoyte, Green and Chandisingh is an unbeatable one.

Veteran deputy leader, Dr Ptolemy Reid, a former prime minister, stepped down earlier this month.

Chandisingh, who is also party general secretary, was once a leading strategist in the Marxist opposition People's Progressive Party (PPP).

Under the PNC's constitution, the deputy leader is appointed by the leader.

SOVIET AIRCRAFT ACQUIRED THROUGH TRADE AGREEMENT

FL040354 Bridgetown CANA in English 2132 GMT 3 Feb 86

[Excerpt] Georgetown, Feb 2, CANA -- The state-owned Guyana Airways Corporation (GAC) has acquired a U.S. 20 million dollar aircraft from the Soviet Union, officials have reported.

The new Tupolev 154 passenger jet, which arrived in the socialist South American republic yesterday, was acquired under a trade agreement Guyana and the Soviet Union signed in 1984.

Part payment for the aircraft was provided through the supply of bauxite to the Soviet Union, officials said.

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COSTA RICA

TRIBUNAL ANNOUNCES FINAL ELECTION RESULTS

PA070724 Hamburg DPA in Spanish 0215 GMT 7 Feb 86

[Text] San Jose, 6 Feb (DPA) -- The Supreme Electoral Tribunal of Costa Rica announced today the final results of the presidential elections held last Sunday in Costa Rica.

Final results:	Votes
Oscar Arias (National Liberation Party-social democrats)	618,641
Rafael Angel Calderon (Social Christian Unity Party)	541,102
Rodrigo Gutierrez (Popular Alliance - communists)	8,972
Alvaro Montero (United People's Party - socialists)	6,875
Alejandro Madrigal (National Christian Alliance - charismatics)	5,729
Eugenio Jimenez (Independent Party - centrists)	1,130

TALKS WITH NICARAGUAN OFFICIALS; TIES 'FROZEN'

PA061121 San Jose Radio Impacto in Spanish 1830 GMT 5 Feb 86

[Text] Costa Rican Foreign Minister Carlos Jose Gutierrez has said that there has been an exchange of opinions between Nicaraguan Ambassador to Costa Rica Leonor Arguello and Costa Rican Deputy Foreign Minister Gerardo Trejos.

The foreign minister said he did not have further details of what the two officials discussed. When he was asked if, based on the exchange of opinions between Arguello and Trejos, the Costa Rican Government would be willing to accept an explanation on the issue of Las Crucitas and grant approval for Mrs Violeta Chamorro to be Nicaraguan ambassador to Costa Rica, the foreign minister said no ambassador appointed by the Sandinist regime will be approved until apologies are presented.

These diplomatic contacts between Leonor Arguello and Gerardo Trejos seek to improve the frozen Costa Rican-Nicaraguan relations.

EL SALVADOR

DUARTE SAYS 'EL DIARIO DE HOY' INCITING COUP

PA061325 San Salvador Television Educativa in Spanish 1230 GMT 4 Feb 86

[Text] President Duarte has said that differences of opinion should not concern anyone in a democratic process. He then pointed out that EL DIARIO DE HOY is inciting a coup d'etat.

[Begin recording] [Duarte] We must distinguish between a military position, which is up to the Armed Forces to decide, and personal differences. In a democratic process, I am not worried over the different viewpoints there might be among the various sectors of the country. We have heard how this (?man) D'Aubuisson insulted [words indistinct]. You have noticed how EL DIARIO DE HOY has been inciting a coup d'etat and constantly destabilizing the government's power. However, this does not worry me because [words indistinct] just like some talk [words indistinct]. Thus, this does not worry me. However, I would be worried if this were part of an internal destabilization process within the Armed Forces. We need the unity of the Armed Forces for the security of the nation.

Therefore, I cannot take the liberty of taking actions within the democratic process or adopting positions that might lead to a process that could possibly break the unity of the Armed Forces.

I (?do not) worry about this very much; I work very hard in this regard. I support the measures adopted by the high military command within the framework of the Armed Forces, and I am constantly meeting with the commanders in order to strengthen the unity of the Armed Forces. Therefore, I believe we should separate the two issues because sometimes they are confused. Previously, actions were taken between the ruler who wanted to be a dictator and the (?general) who issued the orders and adopted the decisions. Thus, the enemies of the ruler were attacked [words indistinct].

I remember when a bomb was placed inside LA PRENSA GRAFICA. Actions were taken in order to maintain authoritarianism. A distinction must be made: Is this a democracy? In a democracy, each field has its own scope of action, and one cannot simply ignore this. I respect all opinions. You have occasionally disagreed with my views, but you have never seen me adopt an attitude reflecting a lack of respect for your positions. When you (?say this) or that, I can say: Look, I disagree. I have told the television people: You said something that I think is incorrect. I have the same right as anyone else to disagree. However, this is as far as differences of opinion can go in a democratic society.

Aside from that, we must maintain the unity of the Armed Forces because otherwise, the entire country would be at war. That is why I am asking the press and the other media to be careful. They must always bear in mind that the most important aspect for the security of the nation is the unity of the Armed Forces. When they publish something, they must be careful not to give the impression that there are discrepancies because then they would actually be opening gaps that might become dangerous.

That is why in this specific case and in all others -- because this is not the first change that has been made within the Armed Forces, every month changes are made -- this is part of the normal activity of the Armed Forces. I ask you to help me deliver the message of Armed Forces unity.

[Unidentified reporter] Mr President, it has been said that the transfer of Colonel Ochoa Perez from the post of commander of the 4th Brigade has a political connotation. What can you say about this?

[Duarte] This is precisely what I have just explained. I have said that (?we must respect) the political stands we all may have. This should be respected in this democratic country. Do not confuse the interests of any person with the unity of the Armed Forces. Above everything else, the Armed Forces must be united so they can defend the nation. For this reason, I ask you not to distort the issues. This is an action based on strictly military decisions and strictly military (?situations). This is the system the Armed Forces follows every 6 months; every year they conduct a general evaluation. Then, they correct their mistakes, change commands, and once again create a structure that is qualified to carry out what is called a national plan.

The national plan is prepared by the government and the Armed Forces to determine the actions of the Armed Forces. [end recording]

President Duarte also referred to "Operation Phoenix," which the Armed Forces are carrying out on Guazapa mill.

[Begin Duarte recording] Precisely. I think you have all noticed that in order to protect the people we mobilized them to San Francisco Mill.

We have given (?land) to all of the civilians we have found. However, no one has reported on the thousands of mines the guerrillas have placed throughout the Guazapa area, mines that have killed hundreds of civilians. We are telling you about this so the civilians in the area will be aware of this and will not suffer the consequences, because there are many mines in the area.

Are you aware of the many soldiers that have lost legs or have been killed due to the mines, and the many civilians that have also been killed? This is an action, this is a program -- Operation Phoenix -- to rid the area of all mines so the people can return to their homes and till their land without the threat of the mines. Look at what was happening in Santa Clara. You know what [word indistinct] is. Thousands of children play there all the time What would have happened if they had stood on a mine, if instead of a soldier it had been a child? [words indistinct] [end recording]

In conclusion, the president reported on a program for the municipalities that involves a 200-million [currency not specified] loan.

[Begin Duarte recording] There is a public works program. This program has been prepared and is ready for implementation because we have just signed a loan for approximately 200 million colones. [end recording]

OCHOA, BLANDON INTERVIEWED ON ARMY OFFENSIVE

PA060911 San Salvador Channel 2 Television in Spanish 1900 GMT 5 Feb 86

[Interview with Colonel Sigifredo Ochoa Perez, departing commander of the Army's 4th Infantry Brigade, and General Adolfo Onecifero Blandon, chief of the General Staff, by unidentified reporter in Chalatenango Department; no date given -- recorded]

[Text] [Reporter] What is the current status of the war against the guerrillas?

[Ochoa] I am not prepared to give you hard facts or percentages. However, I can say that if we speak of 100 percent, which is how I found it, we have advanced 75 percent of the way. We have not yet cleaned this are completely because this is being done gradually. Much progress has been made militarily, in the psychosocial field, politically, economically, and even at the international level. There is still much to be done. I believe that the balance is positive. Progress has been made far beyond the goals we set for ourselves when we began. Keep in mind that the rebels regard this area as part of their strategic rearguard. At present we control 80 percent of the area.

[Reporter] Was the strategy implemented here appropriate?

[Ochoa] It worked for me. I do not know if it is appropriate for someone else.

[Reporter] Why did you change the policy you used when you were commander in Cabanas?

[Ochoa] The situation is different. At that time a de facto regime was in power. Now we have a democratic government. I will at no time break the unity of the institution or the institutionality of the Republic. This is a highly personal matter. I do not involve my units. This is a very personal matter. I believe it deserves respect.

However, when I decide to retire -- if I indeed make that decision, and I do not know when that will be -- I hope no obstacles are placed in my way.

[Reporter] What have been your accomplishments in the military field so far this year?

[Ochoa] Several. We totally recovered the Northern Trunk Highway from km 45 in Colima to km 96 in El Poy. We maintained control over that area, developed it, and dislodged rebels from most of the department's municipalities. I believe we have accomplished a great deal. We cannot say terrorists have been totally expelled from the department because we cannot speak in absolute terms, but must instead speak in relative terms.

[Reporter] Twice you have mentioned retiring. Does this mean you are planning to retire from the Army in the short term?

[Ochoa] Possibly.

[Reporter] What are the reasons for this, sir?

[Ochoa] They are very personal reasons.

[Reporter] Is it true that your time in service will also be complete within several days? One of your promotion comrades-in-arms informed us of this.

[Ochoa] No. I have served 25 years and have 5 more to go.

[Reporter] Could your retirement be prompted by the current situation and those that have taken place in the past?

[Ochoa] That will be interpreted differently.

[Reporter] Is it more probable that instead of returning to another garrison or brigade you will retire?

[Ochoa] I do not believe I will retire or be brought back within the next 2 or 3 months. One must understand that it is best to retire when one is not well regarded or one's work is not appreciated.

[Reporter] Does that come from the government or the Armed Forces?

[Ochoa] From the High Command.

[Reporter] Would that imply you may be back in approximately 2 years?

[Ochoa] I do not know. It could be before that time or within that time.

[Reporter] Usually, when a military man is sent away as an attache this means he is not wanted here. Is that your interpretation of this?

[Ochoa] That is not the most appropriate place for a field soldier.

[Blandon] The main reason for Colonel Ochoa's transfer is adjustments that the Armed Forces make monthly among its chiefs and officers. Also, there is a very important reason. This is that we need people in the United States who are truly familiar with our situation and who can sell the American public opinion on the work the military are doing in this country. A messenger, a military diplomatic representative of the stature of Col Ochoa will perform a brilliant job in the United States. That is the main reason for his transfer.

[Reporter] A few minutes ago Col Ochoa expressed his disagreement with the High Command's decision and said that he might retire. What is your view on this?

[Blandon] That is quite natural when we military men are transferred form one place to another. We identify with our unit, its personnel, the area authorities. It is natural that we do not take well to transfers. However, career military men are used to this. All of us without exception expect changes every end of the month. Col Ochoa has not directly informed me that he is unhappy with the decision or that he plans to request a discharge. He has not told me this. If he did, that would be a very personal decision.

[Reporter] There are indications that the decision was made by the High Command and that is why he is unhappy with it.

[Blandon] All of the decisions contained in the general order issued at the end of every month come from the High Command.

FMLN ON HELICOPTER DOWNING, CIVILIAN BOMBINGS

PA061533 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 6 Feb 86

[Excerpts] Attention, pay close attention. We have an important war report on the downing of a Hughes 500 helicopter north of San Miguel Department. Another imperialist dumb fly [mosca boba] has been shot down by revolutionary fire. Our people, the national and international news media, pay attention. Here is a report on the downing of a gringo helicopter north of San Miguel Department. Attention, pay close attention, here is an important war report on the downing of a Hughes 500 helicopter north of San Miguel Department; our people have squashed another dumb fly. Attention, pay close attention, here is the communique:

On 4 February, a team comprising three helicopters, two rocket-firing aircraft, and one Hughes 500 were on an exploration mission throughout different areas of San Miguel Department. At 1000 a guerrilla unit of the Commander Rafael Arce Zablah Brigade ambushed the enemy helicopters near El Jicaro canton, San Gerardo jurisdiction. As a result of this guerrilla attack, the Hughes 500 crashed in Iscanal, San Gerardo jurisdiction. The helicopter was destroyed and two of its crew members were killed, while two other crew members were injured.

After the helicopter was downed, the Air Force began an intensive, indiscriminate air attack against Iscanal, Candelaria, and San Sebastian cantons, which have large civilian populations. The attacks against the towns lasted from 1000 to 1500, when the Air Force brought in Ponce Battalion troops to rescue the debris of the downed helicopter and its crew. UH-1H helicopters removed the debris of the Hughes 500 helicopter in two flights.

We repeat this important report: On 4 February at 1000, a team comprising three helicopters, two rocket-firing aircraft, and one Hughes 500 were on an reconaissance mission in San Miguel Department. At 1000 a guerrilla unit of Commander Rafael Arce Zablah ambushed the enemy helicopter near El Jicaro canton, San Gerardo jurisdiction.

As a result of this attack, the helicopter crashed in Escanal, San Gerardo jurisdiction. The helicopter was destroyed and two of its crew members were killed, while two other crew members were injured.

After the helicopter was downed, the Air Force began an intensive, indiscriminate air attack against Iscanal, Candelaria, and San Sebastian cantons, which have large civilian populations. This attack lasted from 1000 to 1500, when the Air Force brought in Ponce Battalion troops to rescue the debris of the downed helicopter and its crew. UH-1H helicopters removed the debris of the Hughes 500 helicopter in two flights.

Three helicopter gunships, one C-47 gunship airplane, and one 0-2 light aircraft participated in the attack against the civilians. These aircraft strafed and hurled rockets at this zone. When this war report was issued, five civilians were reported injured in San Sebastian canton, and there were more civilian casualties in other cantons attacked by the Air Force on 4 February.

We call on humanitarian organizations and the church to assist and protect the injured civilians and all of the residents in the zone where the Army soldiers are [words indistinct]. With this downing of a helicopter by our forces, over 45 aircraft have been destroyed, and over 20 pilots have been killed throughout the 5-year-old war. With the successful ambush conducted by our units, which managed to down an enemy helicopter in northern San Miguel Department, we have downed a total of 11 enemy aircraft in Morazan and San Miguel Departments during the war: nine helicopters, one A-37 Dragonfly airplane, and one C-123 transport plane.

The FMLN [word indistinct] technical combat advances in the anti-aircraft struggle using all kinds of weapons and technical resources. This is only the beginning of the development of our capabilities in the anti-aircraft struggle. We urge our fighters to do their utmost to learn and use anti-aircraft techniques in order to accelerate and deepen the attrition and defeat of the air war promoted by the puppet army.

ARMY BEGINS 'OPERATION CARLOS' IN MORAZAN

PA060834 San Salvador LA PRENSA GRAFICA in Spanish 5 Feb 86 pp 2, 19

[Text] A total of 2,500 troops are participating in "Operation Carlos," which began 4 February in Morazan Department, High Command spokesmen have reported. Salvadoran Air Force and Artillery Brigade troops are also participating in the operation as support forces, and so are infantry troops.

This operation is part of the Armed Forces' plan to intensify the struggle against the terrorists and has been called "Operation Carlos" to honor the memory of the late Colonel Domingo Monterrosa Barrios. While he was the commander of counterinsurgency troops, Col Monterrosa was also known as Carlos.

No results have been announced yet, as the troops are marching toward strategic positions throughout Morazan Department.

While the infantry troops advance in Morazan Department as part of "Operation Carlos," "Operation Phoenix" continues on Guazapa Hill. The FMLN-FDR [Revolutionary Democratic Front] members, who are surrounded in various parts of Guazapa Hill, are trying to contact international organizations, military spokesmen said.

They explained that the military is using loudspeakers every day to urge the FMLN-FDR members to leave their caves or hiding places and surrender.

The military spokesmen added that if they surrender, their rights will be respected, and if the international organizations the guerrillas are calling do nothing to keep the guerrillas from destroying public services, and stealing and harming the civilians, then they have nothing to do with the war.

"Operation Phoenix" will continue for an indefinite period, the military spokesmen added.

HONDURAS

BOMB THREAT AT U.S. EMBASSY; NO EVACUATION

PA061745 Panama City ACAN in Spanish 1711 GMT 6 Feb 86

[Text] Tegucigalpa, 6 Feb (ACAN-EFE) -- Since 0900 (1500 GMT) the U.S. Embassy in Tegucigalpa has been on alert due to the placing of a bomb within its installations. [as received] However, the embassy has not been evacuated. An internal security corps and the Honduran Police bomb squad, with dogs trained to find explosives, have conducted a careful search in the diplomatic mission's installations. An anonymous telephone call to an embassy employee warned about a package of explosives that will presumably be activated at 1400 (2000 GMT). So far, the embassy has abstained from officially commenting on this incident, and the Honduran police have refused to comment.

It is not known why the large staff in the embassy and in a building in front of the embassy which houses the consulate and the information services have not been evacuated to facilitate the search. An alarm is continuously ringing in the two U.S. buildings, which are protected by the Honduran police, as well as by the embassy and a Honduran private security corps to keep the staff on the alert.

Special passageways for emergencies have also been set up, and the bomb squad is thoroughly checking the area. The two buildings are the best guarded buildings in Tegucigalpa, and to enter them, one must undergo a careful search and controls. In addition, no packages are allowed in.

ARMED FORCES COMMUNIQUE ON REYES REPLACEMENT

PA061310 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 6 Feb 86

[Communique issued by Honduran Armed Forces Public Relations Office in Tegucigalpa on 5 February -- read by announcer]

[Text] The Armed Forces Public Relations Office takes the liberty to report the following to the public:

1. The Superior Council of the Armed Forces has not yet met to select the three-member slate it will submit to the sovereign National Congress in order for the latter to select the new commander in chief of the Armed Forces.

2. To do so, the Superior Council of the Armed Forces has a term of 15 days, which will expire on 15 February.

3. In any event, the sovereign National Congress is in recess and will not resume sessions until 12 February, and no emergency session will be requested on this occasion because, by virtue of the provisions of Article 281 of the Constitution of the Republic, the duties of the Armed Forces commander in chief are being performed by the chief of the Joint Chiefs of Staff.

4. In view of the foregoing, the Armed Forces' administrative, security, training, and other activities have not been interrupted and are being carried out normally in all units, bodies, and branches.

5. It is not true that there are conflicts among graduating classes over selection of the three-member slate and candidacies, as some media have asserted, or that the acting commander in chief has made any statements regarding conditions or questions being raised concerning his alleged nomination.

6. At the proper time, Honduran citizens will be informed, once the Superior Council of the Armed Forces fulfills its duty of sending the aforementioned slate to Congress. In the meantime, the news media are asked to cooperate by not engaging in speculation on rumors that may arise on this subject, as this will only cause confusion and insecurity among our citizens.

Tegucigalpa, 5 February 1986

NICARAGUA

D'ESCOTO SENDS NOTE TO CONTADORA, SUPPORT GROUPS

PA062155 Managua Domestic Service in Spanish 1800 GMT 6 Feb 86

[Report by Angela Saballos from the Foreign Ministry]

[Excerpts] The Foreign Ministry's Directorate of Information and Press reports that Foreign Minister Miguel D'Escoto Brockman sent a letter to the foreign ministers of the Contadora and Support Groups yesterday regarding an upcoming meeting which they requested with U.S. Secretary of State Mr George Shultz and to which he agreed.

D'Escoto's letter reiterates the Nicaraguan Foreign Ministry's full support for the spirit of the Caraballeda document, especially to the principle of giving equal urgency to the priority actions contained in that document. A top priority for Nicaragua is an immediate end to foreign aid to rebel forces. Compliance with this action, which is essential for regional peace, is an imperative principle of international law and treaties currently in force and is also urgent in the face of current U.S. Administration efforts to grant additional military help to terrorist groups, which it created to attack Nicaragua.

The foreign minister stated that in view of such displays of force and disrespect for international law, which worsens the regional crisis, it is fundamental for the United States to give specific signs of support to Caraballeda by not asking Congress for additional funds for the counterrevolution. The Nicaraguan Government hopes that the meeting between the promoters of the Caraballeda position and Mr George Shultz will prompt the United States to take this step, which can no longer be postponed and which is an indispensable action to strengthen the spirit of Caraballeda, to create an atmosphere of minimum trust and peace in the region, said the foreign minister.

The foreign minister also said, as was stated in the Caraballeda document, that resumption of the bilateral dialogue with the United States to normalize relations between the two countries cannot be delayed. The letter states: In this way, the U.S. Government must not only be willing to resume the dialogue, but also to stop distorting the very essence of the bilateral dialogue and abandon the idea of turning it into an instrument to force Nicaragua to hold an immoral dialogue with terrorist forces that they created to brutally meddle in Nicaragua's internal affairs.

Nicaragua hopes Contadora will successfully stop the U.S. Government's attempt to distort the nature of actions aimed at national reconstruction. The U.S. Government has tried to portray a dialogue with the mercenary groups as an expression of an effective national reconciliation. This position mocks the dignity of the Latin American peoples, because they are demanding a dialogue with forces they themselves created, trained, financed, and organized with the express objective of overthrowing us.

The Nicaraguan Government is profoundly convinced that the Central American countries will carry out actions aimed at reaching an authentic national reconstruction within the legal framework in force in each of those countries, as specified in the Caraballeda document.

With this in mind, the Nicaraguan Government, acting within the framework of its legal authority, has proceeded to delcare a broad amnesty to all sectors involved in counterrevolutionary activities, including armed operations, who are willing to lay down their arms. The return to the country under security measures is guaranteed to all these people; in addition, we will guarantee their right to participate in political parties, aspire to any government position through elections, and actively participate in the country's economic and social life.

Finally, Foreign Minister D'Escoto pointed out that the Nicaraguan Government wishes to express its confidence that the Contadora Group will continue to defend a Latin American, dignified, and peaceful solution to the regional crisis. In order to do that, it is fundamental to respect the sovereign and inalienable rights of the Nicaraguan people and the other peoples of Central America.

[Signed] Managua, 6 February 1986

RIVERA, AMERICANS FLEE TO COLOMBIAN ISLAND

PA071255 Managua Radio Sandino in Spanish 1200 GMT 7 Feb 86

[Text] It has been confirmed that Brooklyn Rivera has fled after being wounded in clashes in which he was intercepted on the Atlantic coast by fighters of the Sandinist People's Army [EPS]. The report comes to us from Bogota, Colombia. Eleven Miskito Indians from Nicaragua, AFP states, including their leader, Brooklyn Rivera, some of them wounded, as well as 1 Canadian and 3 Americans, arrived last night on Colombia's San Andres Island in the Caribbean, fleeing from clashes in Nicaragua.

The report we received just moments ago states that, according to the fragmentary reports that have been received, the Miskitos are the survivors of a bombing that took place in a small town near the Honduran border in January, in which seven people were killed. This is according to one of the Indian's brief statements, when he spoke to a Radio Cadena Nacional radio newsman in broken Spanish.

FIDEL CASTRO READS MAIN REPORT TO PCC CONGRESS

FL041558 Havana Domestic Service in Spanish 1415 GMT 4 Feb 86

[Main report read by Cuban President Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, PCC, at the Third Party Congress at Havana's Palace of Conventions -- live]

[Text] Distinguished guests, dear delegates: Now we will have to have a little patience. With pleasure I fulfill the basic duty of greeting with warmth and gratitude the invited delegations who honor us with their fraternal presence at this third congress. To them and to our delegates, we apologize if our report is not as brief as we wanted to make it.

We have made a great effort to sum up in a very short recapitulation the essential aspects and ideas related to the topics we are discussing. Taking into consideration that in this congress the economic guidelines for the next 5-year period as well as the draft of the party program -- which will be subsequently submitted to the analysis of militants and people in general -- will be discussed, we have opted not to include many details, ideas, and concepts reported in those documents.

No one should get impatient if at a given time I enumerate very briefly and in a consecutive manner the more outstanding gains attained since the last congress. Criticism of certain areas will not be left out as well as the ideas dealing with what we should fight against and resolutely overcome. Each congress should be an encouraging review of what has been accomplished, an energetic criticism of what has not been done, and an optimistic and determined commitment to the future, trusting our revolutionary strength, our honest struggle, and the immense possibilities that socialism affords.

We have no fear of pointing out our deficiencies, just as we have no fear of proclaiming the great gains of our revolution and our profound and solid confidence in the future.

The 5-year period since the second party congress was doubtlessly very fruitful in our people's creative effort and in the progress made by the revolution. Perhaps they have been the most fruitful and successful gains ever. The gross social product grew at an average rate of 7.3 percent, much higher than the 5 percent that had been projected for the period. Of this, industrial production recorded an average rate of 8.8 percent. Investments in the civil state sector, shown at current prices, amounted to 17.88 billion pesos in the 5-year period, that is, 34.2 percent more than in 1976-1980.

Some 36.2 percent was assigned to the industrial sector, 23.3 percent to agriculture, 18.8 percent to transportation. A total of 71.3 percent of the investments were allocated to these three sectors. Work productivity grew in the 5-year period at a rate of 5.2 percent annually. Seventy-four percent of the increase was due to this factor. Material consumption by production weight decreased from 42.5 cents in 1981 to 40.6 cents in 1985, and energy consumption by production weight reduced by 25 percent between 1980 and 1985, reflecting a great step forward in this indicator.

Personal consumption grew at a rate of 2.8 percent annually, and social consumption by 7.1 percent. The average monthly salary grew by 26.4 percent during the 5-year period. The daily consumption of calories amounted to 2,900 calories per capita, and proteins to 78 grams daily. In 1985, there were 50 refrigerators, 91 television sets, 152 radio receivers, 59 washing machines, and 69 electric fans per 100 homes with electricity.

The sale to the population of construction material for the maintenance of dwellings grew by more than 70 percent. The figures given are of an overall nature. We believe it would be convenient to refer to certain secondary indicators which, due to their importance, should not be omitted. During the 5-year period sugar production grew by 12.2 percent compared to the previous period, reaching stable production of around 8 million tons annually. It is well known that in 1986, this year, due to the severe droughts of last year and the serious damage caused by Hurricane Kate, unfortunately, this figure will be greatly reduced.

The daily industrial milling capacity of the sugar industry grew by more than 5 million arrobas. The use of oil in the production of raw sugar was totally eliminated, which meant a savings of 1,709,000 tons in the 5-year period. The sugar industry's mechanic industry doubled its production during the period. Together with the building of new sugar mills, their projects, and a large part of their equipment manufactured in Cuba, 38 of the existing sugar mills were expanded and modernized.

Some 239 gathering centers were built for loading and cleaning the sugarcane. With these and the mechanization of canecutting which reached 62 percent, the number of canecutters -- which in 1970, barely 16 years ago, was 350,000 -- was reduced to just 72,000 in 1985, which implied a reduction of 48 percent with respect to the very recent 1980 harvest. What was merely a dream during the first years of the revolution had become a reality in our country. All sugar mills became agro-industrial complexes. Many thousands of medium and higher level technicians and engineers joined this branch of the economy. To the benefit of this branch's industrial workers, the fourth brigade was created and a wage coefficient of an additional 15 percent was introduced as well as other measures of economic and social benefit for all workers in the sugar industry sector, which generates our main export product.

Nonsugarcane farming production grew at a rate of 3.8 annually. The total number of tractors grew at a rate of 10 percent, while the average size of the tractors grew by 42 percent. The irrigated area grew by 100,000 hectares, reaching a total of 500,000 hectares in this sector of agriculture. Some 600,000 hectares of land were cleared for grazing land and other uses. Milk production grew by 21 percent. Egg production grew by 23 percent, fowl meat by 30 percent, and swine on the hoof by 33 percent. Bee honey and wax production grew by 39 percent and 51 percent, respectively. The volume of fodder production was greater by 23 percent over the previous 5-year period.

Food production increased 29.2 percent, and vegetable production increased 48.6 percent. Citrus fruit production was double that of the preceding 5-year period. Rice was harvested from a smaller land area, but production increased 14 percent because yield increased from 875 quintals per caballeria to 1,012; that is, from 3 tons per hectare to 3.5 tons.

Tobacco production increased 24 percent; kenaf production increased 21 percent; coffee and cacao, 16 and 27 percent, respectively. Forestry production increased 11.3 percent. The number of trees planted almost doubled the number planted during the previous period. The number of saplings planted was the highest of our entire history: 602 million in 5 years.

Electric power production grew at an average annual rate of 4.3 percent, which low rate demonstrates the effort that was made to conserve energy. It will suffice to point out that in 1985, despite growth of almost 5 percent in the gross social product [producto social global] and a greater number of consumers, the amount of electricity produced did not increase. On the other hand, the installed capacity of the electrical industry increased 25 percent during the period, and the present production capacity of the country is now seven times the capacity that existed at the time of the triumph of the revolution. Fuel consumption was reduced from 275.3 grams per kwh in 1980 to 260 grams in 1985. A reduction which amounted to a saving of 460,000 tons.

Nearly 360,000 additional dwellings were connected to the national electric system, which means that the country now has 85 percent of all its dwellings connected to electric power lines.

The work of drilling oil wells for exploratory and production purposes increased 33 percent, and twice as much oil was extracted as in the previous 5-year period. Thirty-two percent of the total area of Cuba has now been covered by geological survey.

The production of whole fertilizers increased 18 percent while the production of nitrogenous fertilizers increased 56 percent over the previous period with the refurbishing of the Cienfuegos fertilizer plant.

The production of glass containers increased 18 percent, steel production increased 11.7 percent, and in 1985 the Antillana steelworks produced 401,000 tons of structural steel, which is a record and a real feat for a steelworks that is in the process of being enlarged.

Machinery building maintained a sustained growth of approximately 16 percent annually. The cane combine factory in Holguin produced an experimental lot of the new KTP-2 model, which is more powerful and efficient and will begin to be produced in series in 1986.

The production of automotive equipment continued to increase as did the production of railroad freight cars. The production of railroad passenger cars was initiated.

The production of electronic components began at the end of the 5-year period with the inauguration of the semiconductor plant in Pinar del Rio. The production of radios increased 86 percent; the production of television sets increased 94 percent. Small-scale production of color television sets was begun and will continue to grow during this 5-year period.

Intense work was done in the field of spare parts production and salvage; in 1985, production was triple that of 1981, only 4 years earlier. National spare parts production now covers 45 percent of our needs.

Two important modern medical equipment factories are being built at an accelerated rate.

The sustained growth of our economy required considerable help from the construction sector. The annual growth rate of this sector was 9.5 percent. In the 5-year period, the construction of factories increased 45 percent, and several hundred objectives were met, some of them of the importance of the glass container factory of Las Tunas, the agricultural tools plant of Holguin, the textile plant of Santiago de Cuba, which produces 80 million square meters, a great yarn factory, the nickel plant, the Uruguay white paper plant, the second stage of the Antillana steelworks, several new sugar mills, and various thermoelectric power plants. These are under construction, and are giant undertakings, such as the Cienfuegos nuclear power plant and refinery, the great nickel oxide installations in Punta Gorda and Camarioca, where tens of thousands of enthusiastic and unselfish construction workers are at work, not only building the industries but also the social infrastructure, that is, dwellings, schools, medical installations, commercial services, etc.

In Matanzas, the largest thermoelectric power plant in the country is under construction, with more than 300,000-kw capacity and the first construction work on the supertankers port and future oil pipelines has been done.

Havana Province is proud of the thermoelectric power plant under construction in Santa Cruz, the units of which will produce more than 1 million kw, guaranteeing the satisfaction of future electricity needs and lower consumption of fuel oil per electrical unit.

The enlargement of the Antillana steelworks, located near the capital, to a nearly 1 million-ton capacity is in full swing. Camaguey, which has just inaugurated a modern brewery with a capacity of 100 million liters, is working to complete another gigantic factory, in which nearly 5,000 workers will produce goods for the Cuban economy, the civilian population, and -- why hide it -- for the defense of the homeland.

Hundreds of millions of pesos were invested in livestock installations: dairy farms, calf-raising centers, pig farms, and poultry farms; In irrigation and other programs: dams, irrigation and drainage canals, water pipelines, and sewers, and in warehouses, including refrigerated storage plants, etc.

More than 1,000 km of railroad tracks have been laid, including those serving the sugar mills. More than 4,140 km of dirt roads, highways, and speedways were leveled, of which more than 3,600 were rural roads, and approximately 2,060 km were paved.

Social works were not forgotten, although their specific weight in the total volume of investments decreased, as is logical in a country in the economic development phase.

Public health construction works grew 51 percent over the previous 5-year period because of the high human and social priority the revolution gives them, linked with the need to protect the population from possible aggressions of a biological nature. Thirty-one intensive care pediatric wards have been built, 6 important hospitals have been completed and 10 modeled, and 43 polyclinics have been built. Included in the public health construction works is the construction of medical schools in all the provinces. One hundred forty-nine educational buildings were completed, including 50 medium-level schools.

Considerable progress has been made in housing construction. Adding those built by cooperatives and private persons to the 126,000 built by the state in cities and rural areas, 335,000 houses have been built, almost triple those built in the previous 5-year period.

One hundred camping sites have been built and put into use with capacity for 78,500 campers, with the rule that services are given at cost with no profit. The sites were fully equipped and provided with the necessary transport. Eleven hotels have been completed, and six were remodeled for international tourism.

Of course, it was necessary to pay special attention to the construction materials industry. The production of construction materials has grown 16 percent. Daily productions capacities were increased by 4 million cubic meters, and 15 new prefabricated housing plants were put into production ,plus tile factories, concrete pipe plants, clay pipe plants, asphalt plants, etc.

In the past 5-year period, cement production reached 16 million tons, which was 3 million tons more than in the previous period. [Castro turns to aide and requests tea, remarking: "I'm reading a little fast, don't you think? Can you hear me well?" The audience responds: "yes"]

The transportation sector has grown at a yearly rate of 6.5 percent. [Castro coughs] The monthly average for unloading import dry goods in 1985 surpassed the 1980 age by 20 percent. In 1985 the cargo traffic in our ports was 39.8 million tons. We were able to decrease the cost of ships remaining in our ports by approximately 55 percent.

Between 1980 and 1985 our merchant fleet grew more than 21 percent. We were able to handle 1,166,000 tons of dead weight. This is 20 times the amount existent when the revolution triumphed. The railroad hauling of cargo has grown by 16 percent, to more than 18 million tons in 1985. Passenger transportation has grown by 37 percent. The cargo transported by vehicles has grown by 30 percent. We incorporated 7,200 buses of various types, and the growth of passenger transportation by these means has grown by 23 percent. The capacity of our air fleet has doubled in this period.

Communications have grown at a rate of 9.4 percent a year. We completed the main works for coaxial cable. We have increased our telex services. We have installed 126,000 new telephones, and now 80 percent of all long-distance calls are automatic.

Our food industry has grown at a yearly rate of 6.1 percent. The total production of refined vegetable oil in these 5 years grew by 25.7 percent. The production of pork meat strips [bandas] and canned meats experienced 49-percent and 69-percent growth respectively. The production of ice cream and yougurt grew by 21.2 percent and 12.4 percent, respectively. The production of canned fruits, after the new citrus combines began operation, grew by 51.1 percent. The production of wheat flour, with the use of mills, doubled, and we produced 441,000 tons in 1985. The production of alcoholic beverages increased at a yearly rate of 9.3 percent, and in this 5-year period we exported 35 percent of production. The production of beer grew by 10.6 percent compared to the previous 5-year period. Seven hundred new products were introduced, basically within the network of the parallel market. The investments allowed us to mechanize and increase the capacity to produce salt up to approximately 500,000 tons. This level was sufficient to cover our national needs. The increases we have planned will be for export purposes.

In the area of fishery, the total catch of fish grew by 4.9 percent, and in the 5-year period 1 million tons were caught. Fishing on the continental shelf grew by 12 percent. Lobster fishing grew by 19 percent. The production of fish in fresh water dams is now 2.5 times larger. The deep-sea fishing fleet has been able to maintain its levels despite the restrictions that resulted from the expansion of territorial waters to 200 miles. We were able to achieve better industrial use of lobster and shrimp, and new products were introduced to the market, resulting in a 27 percent growth in exports, especially the export of lobster.

The production of light industry products also grew at a rate of 8.8 percent a year. In these 5 years, 870 million square meters of textile were produced; this is 15 percent more than in the previous period. Our production of yarn grew by 30 percent. The production of outdoor and indoor clothing grew by 7.6 percent and 11.5 percent respectively. We produced 50 million pieces of work clothes. Laundry detergent production increased by 5.8 percent. The production of multilayered containers grew by 34 percent: the production of cardboard boxes grew by 60 percent, and we doubled the production of household furniture.

Retail sales and food sales grew at a constant rate of more than 20 percent compared to the previous 5 years. In 1985, on the parallel market alone, sales were 930 million pesos. The number of rationed products was not increased. Quite the contrary, these were decreased. In 1980 there were 150 nonfood products that were subject to control. At the end of 1985 the number had dropped to 68.

In these past 5 years the people bought 502,000 refrigerators, 866,300 television sets, 1,694,000 radios, 656,000 washing machines, and 779,600 fans. This is just to give you an idea of these sales. Repair services for electric home appliances grew by 25 percent. More than 2,200,000 people eat lunch or dinner, or both -- some even have breakfast -- at universities, pre-universities, rural secondary basic schools, technology schools, sports schools, training schools, primary semi-boarding schools, children's centers, workers' mess halls, hospitals, military units, etc. These people eat for free or at a low cost.

At current prices, foreign trade in the past 5 years grew by 65 percent. Exports grew by 58 percent, and imports by 71 percent. Our exports to the socialist countries were 85.4 percent of total exports. Imports from those countries represented 84 percent of the total imports. Imports from the capitalist area, which during the 1976-1980 period represented 26 percent of the total, decreased to 16 percent between 1981 and 1985.

Together with sugar, nickel, and other national export products, citrus products, fish products, steel, recyclable raw materials, and other products had a strong growth. Since last year a special effort has been made to increase the export of nontraditional products to the area of freely convertible exchange, and in 1985 we were able to increase nonsugar exports by more than 30 percent compared to 1984. This does not include the re-export of fuel.

Revenue received through international tourism increased from $39.6 million in 1980 to $87.3 million in 1985. This does not include the indirect revenue received from air transportation and other services.

In these past 5 years we implemented the first labor code in our history. This labor code was discussed and enriched by 2.3 million workers. We implemented new ways to organize work. This was done through the permanent and all-inclusive brigades. We have begun to implement the idea of a combination of jobs, especially in the areas of labor, services, and administration. We have introduced the idea of wage incentives and seniority pay. These incentives encourage workers to remain in regions where priority activities are performed.

The number of job-related accidents has decreased by 13.3 percent compared to the previous 5-year period, and the death rate has dropped by 10.7 percent. The production of protection means has grown by 55 percent, and we have tripled the amount of convertible exchange used for these purposes. We have created 630,000 new jobs. Female participation in the country's work force has grown from 32 to 37 percent. We have completed the implementation of the general wage amendments that benefitted more than 2.5 million workers. The 1985 expenditures for social security assistance increased to 1,015 billion pesos. This represents 260 million more than in 1980. Approximately 1 million people, not counting their families, benefit directly from this social security plan.

I will extend myself a bit more on the revolution's efforts of the past 5 years in the area of public health. You can all recall that it was precisely at the beginning of the past 5-year period that our homeland was hit by a strong epidemic of hemorrhagic dengue. All signs indicate that this was deliberately introduced into our country by Yankee imperialism in a new and brutal act of aggression against our people. At that moment no other part of the world was experiencing this disease. Cuban citizens working abroad had not exhibited symptoms of this illness. No foreigner had been reported to have this illness. However, it was suddenly reported in our capital city and quickly spread like wildfire. This was one of the viruses that the Pentagon had been enthusiastically experimenting with for years.

It is quite true that the high rate of infection by the aedes-aegypti, due to the unquestionable neglect of our sanitation officials, offered the appropriate field for such a criminal sabotage against our people's health. The way that the revolution and the people, especially the doctors and health workers, reacted to and waged this battle was amazing. The epidemic, which at a given moment reached a figure of more than 11,000 cases per day and which affected hundreds of thousands of people, causing the deaths of more than 150 of them, mostly children, was completely eradicated in a few short months. I do not think any other country has such a record. Many resources were used immediately and without hesitation. Fumigation equipment was brought to our country immediately via air and other fast means. We also received hundreds of tons of chemical products from all over the world, even from far away places like Japan. In a matter of days, thousands of men and women were prepared and organized to confront the situation. They were supported by mass organizations throughout the country. In the final phase of this truly heroic battle, all the cases were isolated, and we were able to keep track of even the last person affected by the epidemic, using every means to prevent its spreading. This is how we won that epic battle. The final result we saw was that the effort we had been making in the past to turn our country into a medical power increased as of that moment.

As we already mentioned when we spoke of construction, we have built 31 pediatric wards in the country where children who need help receive the most modern and best attention. Thousands of lives have been saved in only a few years with this type of service, received by all Cuban children. Our Cuban children have no reason to envy the treatment received by the children of the very rich in the most industrialized capitalist countries. We have invested 40 million pesos in pediatric hospitals alone. Of these 40 million pesos, 20 million are in equipment alone. To this we must add a new, important, and very modern center for cardiovascular surgery and pediatric cardiology which is being built and will soon become a reality.

The country's health and epidemiological services have been considerably strengthened: 1,354 medical and nonmedical professionals and 3,346,346 medium-level technicians, plus thousands of workers, give their services in those installations. The presence of the aedes-aegypti has decreased to laughable levels and has completely disappeared in 5 provinces and 117 municipalities in the country.

New services for children were created, including hemodialysis, starting from a certain age. Consultations on genetics are offered in all the provinces' maternity and pediatric hospitals, offering advice in that field to all the population. Techniques for diagnosis in the prenatal period are being applied by three genetic organizations, and we are actively working to introduce others. With this in mind, we have installed 11 provincial laboratories, and the remaining laboratories should be opened in 1986.

The infant mortality rate dropped in 1984 to 15 per 1,000 newborn children. Despite the increase to 16.5 the next year for various reasons, the figure will undoubtedly be reduced to below 15 in a brief time. The life expectancy rate has now increased to 74.2 years. The number of doctors per inhabitant, which was previously 1 for every 638 inhabitants, has grown to 1 for every 443 inhabitants in 1985; and the number of stomatologists has increased from 1 for every 2,667 inhabitants to 1 for every 1,864 inhabitants.

The opening of centers such as the Ameijeiras brothers clinical-surgical hospitals, where they have just successfully carried out the first heart transplants in the country, allows the inclusion of new lines of development in the national health system and the development of specialists. The techniques of using ultrasonic diagnosis is being applied in 65 hospitals throughout the country, where 1 million examinations are performed per year. In addition, computerized axial tomography has been introduced during the last 5 years.

The pediatricians intensive therapy concept will be applied in the internal medicine wards of all clinical-surgical hospitals, and special neo-natology wards will be created in all gynecology-obstetric services throughout the country. Rural medical services have been strengthened, creating the Piti Fajardo contingent, where hundreds of youths in the last year of medicine offer their service in rural areas and hospitals during 4 years.

We are working on development programs up to the year 2000 which include 35 clinical-surgical specialties. The creation of an overall campaign against sedentarism, obesity, and smoking was approved, and it should seriously occupy our efforts in the next few years.

Nevertheless, the greatest efforts have been exerted in the selection and preparation of medical personnel and the creation of conditions for their studies. Eleven new medical faculties were opened and three others enlarged in the last 5 years. At least 1, or more than 1, exists in each of the country's 14 provinces. Seven modern health polytechnical centers were opened to train mid-level technicians and nurses. One of the most promising events in this sector was creation of the Carlos J. Finlay medical sciences detachment in 1982. Four contingents already comprise its close ranks, and those in the first contingent are already in their 4th year of medical school. 5,500 youths register for the detachment each year, and they are chosen on the basis of their vocation, dossier, and revolutionary conduct. The sum of the Carlos J. Finlay detachment and the Mario Munoz vanguard, comprised of youths in their 5th and 6th years of medical school, plus the stomatology and nursing school students, gives us a total of 27,000 students in the medical sciences sector. A new medicine program was prepared based on the experiences of the best universities, and the program was implemented in this course.

None of the various initiatives implemented during the last years in the health sector will have greater social achievements and repercussions in the population's medical services than the creation of what has been called the families' doctor or family doctor. This professional bears little resemblance to his counter-part within capitalism. Though it was started barely 2 years ago, the experience has been successfully developed, and it represents a new and revolutionary perspective in the health sector; this is only possible given the conditions created by socialism. Seven hundred and sixty one thousand young doctors and an equal number of nurses are currently providing this service to almost half a million citizens throughout the country.

Whatever problems could not be solved concerning primary services in a network of more than 400 polyclinics and the problems afflicting the outpatient clinics and the personnel on duty at the clinical-surgical hospitals will undoubtedly be fully and successfully solved with the creation of this service. Approximately 20,000 doctors and 20,000 nurses -- 40,000 health workers -- will offer their services in the near future; more than two-thirds of these will be women. These 20,000 doctors will become specialists in general medicine through a strict program of studies, a new branch of medicine that is closely linked with the concept of a family doctor and from which many of the current clinical specialties will emerge as a secondary specialty, and they will be joined by 5,000 additional doctors and 5,000 nurses, who will offer their services in schools, factories, and other work centers. The doctor will be found whatever the citizen may be.

This group of initiatives and measures will undoubtedly place us in a position of honor in the field of medicine among all countries of the world. Present and future generations will witness this.

It is also known that the revolution has directed great efforts toward education. Also, work in this field has been fruitful during the last 5 years. Education for 5-year-olds increased by over 80 percent, by almost 100 percent among those between 6 and 12, and over 87 percent among those between 15 and 16 years of age. Over 46,000 students are enrolled in special education classes in 433 schools.

Double session primary school children represent 29.58 percent of the total of all students. Semi-boarding primary school children represent 29.3 percent of the total. The battle for a ninth-grade level of education for adults has been successful. Forty-six higher education centers are operating. University level enrollment, including military and party schools at this level, amounts to over 280,000. The experience gained during this 5-year period in the practice of labor pre-assignment and pre-placement of university students has been useful and positive.

Special attention has been given to teacher's training. Institutes for educational advancement increased their enrollment to 107,000 students during the 1985-86 school year, which surpasses by 77 percent the enrollment of 5 years ago. It includes mainly on-duty teachers who are taking higher education courses. Among them, tens of thousands of primary school teachers are studying to obtain a bachelor's degree in higher education. A reserve of over 10,000 primary school teachers has been very useful for these projects, allowing primary school teachers to study full time with pay during a part of the study program. This revolutionary concept has been rewarded by the first graduating class of 2,700 students as bachelors in primary education last year. In a period of less than 12 or 14 years, primary education in Cuba will be taught by bachelors in primary education with an education equivalent to 18 years of schooling. This will place us ahead in the world in that area. Progress is great if one considers that when the revolution triumphed we had 1 million illiterates with a population of 6.5 million. Not too long ago, in 1970, only 30 percent of primary school teachers were certified. The teachers' reserve has also enabled us to send almost 5,000 primary school teachers to study higher level education, to be trained as mid-level teachers of physics, chemistry, and mathematics, which are still considered deficient areas because of our lack of tradition in the study of those essential subjects in our country.

One of the ideas, which has turned into one of the most rational and promising ones in the area of education during this 5-year period, was to turn vocational schools which had students enrolled in the 6th through 12th grades into pre-university vocational schools, that is, between the 10th and 12th grades, in which admission requirements would not only consider the student's record, but also competitive entrance exams. This last requirement, of including competitive entrance exams, was taken from the experience of the pre-university school for exact sciences created some years ago in Havana with stimulating results. Today we have three of those pre-university schools -- one in the western part of the country, another in central Cuba, and another in the east with room for 500 students each. However, an increase in quality in the concept of vocational schools which would be considered pre-university vocational schools was created with the idea of provinding all vocational schools of the country, including military vocational schools, with the same equipment and same selection mathod used by the first pre-university centers for the exact sciences. In only 2 years this will increase the enrollment of students in vocational institutes for exact sciences to 40,000. Moreover, the normal pre-university education program will include strong training in physics, chemistry, mathematics, biology, or electronics, according to the specific university faculty the students plan to enter. In addition, they will receive 90 hours a year of computer training for 3 years.

Teachers are already being trained for the introduction of these programs. Students who graduate from these schools will represent a guarantee of the high technical and scientific quality we will achieve in our universities. Computer training, which was already introduced at university levels, will be added to the rest of the pre-university institutes, technological and basic secondary schools. These programs will be completed during the 1986-90 5-year period.

When I refer in this report to the economic and social development achieved during this last 5-year period. I cannot omit a reference to scientific research, literary and artistic culture, and sports. The area of scientific research, including the institutes of the Public Health Ministry which also provide serices to the people, employs 39,000, including 14,000 high-level education graduates. This high human potential and the resources at their service could contribute considerably to the economic and social development of the country. However, achievements in this field are not sufficient, and a lot has to be done in the area of planning and integration of science and technology for the development of the national economy in the introduction of its results to production and services and the true implementation of scientific policies that the country demands.

Nevertheless, some achievements were made. Among the most outstanding are the development of technologies and new products in the nickel industry, in sugarcane by-products, in the foodstuff industry, medical diagnostic systems, creation of medical equipment, utilization of recycled sources of energy, the obtainment and introduction of new varities of crops more resistant to plagues and diseases, and greater agro-industrial yields, genetic and nutritional improvements in poultry, swine, and cows.

Our scientists were also highly successful in countering plagues and diseases which appeared suddenly in the country. The creation by a group of young investigators of the ultra-microanalysis system for the diagnosis of various diseases, which allows for important savings in reagents and time and gives reliable and precise results, represents an undeniable and important scientific achievement. Outstanding achievements in the biological sector also included the extraction of interferon from white blood cells for medical use, which has allowed for the successful countering of many viral diseases and some types of tumors,and the application of advanced techniques, such as tissue cultures and genetic engineering and biotechnology procedures. These techniques and those related to the production of (?monoclonal) antibodies for diagnoses and other purposes linked with human, animal, and vegetable health, plus other topics of interest for the economy are currently being rapidly developed in our country.

The construction of a new and modern investigation center will soon be concluded in record time. Intensive work is being carried out concerning the preparation of the scientific and technical personnel who will work in the center. Bearing in mind that biotechnology is one of the vanguard techniques that will determine our future, it is doubly important, because it will place our homeland among the most developed nations in this field. Referring to scientific-technical information, the central scientific and technical library is in the process of being created and developed at the former national capitol; it will offer service to all the country with modern printing and communication equipment. Finally, we must point out that the technical youth brigades and the national association of innovators and efficiency experts have made valuable contributions to the country's economy, although their results have not been fully developed.

We continue to make progress in the cultural and literary sector. In 1985 the country had 319 public libraries, 3,200 school libraries, 222 specialized libraries, and 70 university libraries. There are currently 311 bookstores, 1 for each 33,000 inhabitants. All the country's municipalities benefit from this network. More than 15,000 books were exhibited at the international book fairs in Havana in 1982 and 1984, with the participation of dozens of countries. The country's capacity for industrial printing has grown. More than 5,000 textbooks and approximately 3,300 books were printed in 1985, with an average annual production of 40 million books and a constant increase in the index of books per inhabitant; yet the increasing demand for textbooks and general books cannot be met. During this same period many Cuban writers' works and compilations -- plus our classics -- were increasingly re-edited abroad. The Jose Marti Foreign Language Editorial House, established to publish the works of Cuban or foreign writers whose work is linked with our country, has already published 79 books in various languages.

Musical creation has increased; copyrights for approximately 24,000 new songs were secured in the last 5 years. The production value of musical instruments has almost doubled, but current demands cannot possibly be met, even if we include imports. Forty-five new films were produced in the last 5 years in the cinematography sector, including 31 fiction films -- an increase of 55 percent -- 12 documentaries, and 2 animated cartoons. This also includes 209 short documentaries, 259 newsreels, and 41 animated films. The country's theaters showed 619 film premieres. The new Latin American Cinema Festival, which started 7 years ago, has become a strong and vigorous movement. Its increasing prestige was eloquently proved by the seventh cinema festival, which recently included with the participation of more than 800 leading figures and members of the film industry in Latin America and the Caribbean, Asia, Africa, Western Europe, socialist countries, and the United States and the presentation of approximately 400 films. Sorry, I cannot invite you. [laughter] I have to take care of my voice because a pro-Yankee virus is going around, as I said a few days ago. Yes. [laughter]

Our people participated en masse in that festival, proving their high cultural level and capacity to enjoy, value, appreciate, and judge cinematographic productions. The New Cinema Committee decided to create a foundation to help develop this activity in our hemisphere. In addition, and in coordination with Cuba, it agreed to create a school for the formation and improvement of Latin American and Third World movie actors and actresses, with headquarters in our country. Based on the committee's agreement, the next festival will also include television. [Castro coughs]

The art galleries, which have contributed so much during the last 5 years to developing the plastic arts in our country, increased from the 28 which existed in 1980 to 143 in 1985 and were visited by 5 million people. The number of universal arts galleries increased to 11. These were created with reproductions which allow all our people to be in contact with the most valuable works from the best museums in the world. The Wilfredo Lam Center was created to develop specialized research and information. The first plastic arts biennial was held in our capital, with the participation of artists from 22 Latin American countries and more than 2,000 works; it was visited by more than 200,000 persons. Our plastic arts members have received dozens of international prizes and awards. The influence exerted by institutions such as the fund for cultural properties and the UNEAC (National Union of Cuban Writers and Artists) economic, literary, and artistic fund is worthy of mention. One hundred and fifteen works of sculpture were exhibited throughout the country in the last 5 years. The National Advisory Council for the development of monuments and sculptures was also created.

Theater arts have experienced significant progress. There are 50 theater groups, 24 of them for children and youths. Havana theater festivals have been consolidated. The national ballet, and folkloric groups have demonstrated their high quality, among the best at the international level. The Camaguey Ballet increased its quality and prestige. The international ballet festival has been considered one of the most important events of its kind. The amateur artist movement includes 1.578 million members, which shows the high participation of the people in the cultural life of the country.

Art education today has 59 centers: 37 at the elementary level, 21 at the intermediate level, and 1 higher level center. The material base of many of these schools is still poor. The program designed several years ago for the construction of vocational and professional art schools is advancing slowly because of limitations in resources and the need to give priority to other more urgent economic and social projects. However, they should not be completely forgotten for future planning because they are not ambitious. Cultural and artistic development, without being too expensive, considerably elevates the level and quality of life of the people.

There are other considerations we could note as part of the work done by the revolution in this area. A series of legal tools was adopted to rescue, protect, and spread in an organized and scientific manner the cultural heritage of the Cuban nation. A program of professional development, unknown in Cuba until recently, is being carried out, one of research applied to cultural heritage and specialized training in restoration and conservation techniques for young architects, bachelors of science, and artists who have graduated from our higher education centers. Technical potential has been achieved by training hundreds of university graduates and mid-level technicians. Satisfactory progress has been achieved in the rescue and restoration of the Old Havana historic area, declared by UNESCO as part of humankind's heritage. The oldest area of the city has changed its appearance, and our people are more aware and proud of what is done there. The city museum had 1 million visitors in 1985. Over 9 million visited the museums of the country, surpassing the numbers in many developed countries.

The last quinquennium was fruitful in terms of our culture's international protection. In that period of time Cuba participated in 250 international events and won around 300 awards and honorable mentions in various areas of art and literature. Thousands of our country's artists and writers have visited every continent, taking their message to tens of countries. Also, thousands of foreign artists have visited our fatherland. Outstanding recognition should be given to the Saiz brothers and Raul Gomez Garcia bridgades, the new folkloric song movement, the House of the Americas, the Union of Cuban Writers and Artists, and other valuable cultural institutions in our country.

During this 5-year period participation in sports-related activities increased by 43 percent. Over 2,000 primary sports installations were built for massive participation in sports, mainly in rural areas. The number of school children involved in organized sports activities doubled, producing about 70 percent of the athletes who have participated in international sports events. The conditions for new successes have been created in sports, in which the revolution has seen great progress. Our schools for physical education and sports teachers and the high institute have provided the country with a technical potential in this field undreamed of during the early days.

About 3,700 graduates of higher level and 6,800 mid-level graduates were incorporated in the teaching and practice of sports and physical education in the quinquennium. Over 21,000 technicians participate in these activities. Thousands of sports installations and also great schools for high performance sports were created by the revolution. Thus, the foundations for sustained progress have been, and even a jump in quality in all areas of sports. This depends on us.

Our efforts should be made independent of our participation in international competitions. As you know, circumstances may arise in which our principles of international solidarity will require our teams' absence at an important sports event, as happened in the last Olympic Games; although for our country in particular, security matters have never been an obstacle to attending an event anywhere. The rough and rude way in which Cuba, the country that has done the most in this hemisphere for the development of sports, was deprived of hosting the next Pan-American Games in favor of the city of Indianapolis, whose authorities bribed with $25 million the multimillionaire who is acting as virtual owner of the Pan-American sports organization, does not augur anything good for international sports in the next few years. This same trend will manifest itself in the Seoul Olympics -- conceived with evident political purposes that are divisionist and reactionary -- if no solution is found, as suggested by Cuba, to share the games with the Democratic People's Republic of Korea. In a shameless and disgusting way, the Olympics encourage professional athletes to succumb to the offers of promises of millions and careers totally unrelated to sports. To tell the truth, the Olympic movement, born when colonialism was at its height, is a movement captained by wealthy countries and the old metropolis, which have little to do with Third World countries, which have little opportunity to develop sports or host Olympic game.

Amid the misery experienced by thousands upon millions of human beings, it is embarrassing to hear the arguments that the richest European cities are making to host the 1992 Olympic Games. The poor capital cities of Africa, Asia, and Latin America cannot even dream of being host cities. Of this feast for the rich, they will not even get the crumbs. If the countries of the socialist community, countries that have the best athletes in the world, and the most serious end prestigious countries of the Third World were to decide to unite and struggle against these embarrassing situations, the Olympic Games would cease to be the property of the privileged mafia at the service of neocolonialism and could truly become a vehicle of peace and friendship among all the peoples of the world. [applause]

We must be prepared for these struggles and uncertainties. Our sports movement must not weaken for a single second. The sports aggression against Cuba must be corrected; the Seoul Olympics must be shared. For Cuba, the glory of being loyal to its principles is worth more than all the gold in the Olympic medals and more than all the gold in the world. [Castro coughs] [applause]

Up to this point, companeros delegates, I have summarized our main achievements in the areas of social and economic development of the past 5 years. They have been many. You must be aware of the fact that during this period our country experienced a long drought that worsened in may 1983 and became more intense in 1985. That year was the driest since the triumph of the revolution. During 3 years of our 5-year period, the average rainfall was 80 percent below normal for the rainy season. To these climatic difficulties we must add five tropical storms and torrential rainfall during the first 3 months of 1983 that affected the sugar crop, among others. The recent Hurricane Kate was one of the worst the country has experienced in terms of economic damage.

When evaluating our social and economic results, we must also be aware of the deep economic crisis that has been affecting the developed capitalist world, especially the Third World countries. The past 5-year period coincided with one of the worst periods experienced by the Latin American economies. During this period all economic indexes dropped; many of them were negative. On some occasions these drops represented 20-year lows. Likewise, the price of sugar on the so-called world market and the lowest price of this century, and there is an imperialist blockade of our homeland.

Nothing can measure our successes better than the results of our excellent and just economic relations with the socialist community. However, we could have made better use of our resources and efforts. Our work has been far from being the very best. There are still evident faults and shortcomings that we must point out and fight with all our efforts. Only in this manner will we be worthy of calling ourselves Communists. [applause] [Castro coughs] Only in this manner will we be able to advance with quicker and more solid steps.

The main problem experienced by the country's economy between 1981-1985 was due to the fact that, even though we experienced more than acceptable growth, it was not enough in the areas where we needed it most, that is, in the export of goods and services and in substituting imports. Traditional exports to the capitalist area were affected, and even though there was a growth in the export of new products, this was not enough to reduce the deficit in our balance of payments in convertible currency. Although tourism has experienced a sustained increase, it has yet to reach the levels we must aspire to. To achieve this, we will have to overcome subjective difficulties that if allowed to continue would endanger the great future of this activity.

We were not able to fulfill our commitments for the delivery of certain products to the socialist countries. We must also point out that in the period that just ended we have included very few new export products to the socialist area. This is a field in which we must advance more firmly because of the vast market and favorable conditions that the CEMA member countries offer us for deeper economic integration.

The import rate decreased during the 5-year period, but not as much as we needed and not as much as it could. We still have excessive spending and low income in the areas of so-called productive services. In the first place, we have those associated with international transportation, the insufficiency of our merchant fleet. The use of this fleet is far from optimum because of the inefficient way in which we still operate our ports, shipyards, and air terminals.

Despite the advances achieved, the growth of our sugar production, our main national industry, has been below its potential when compared to the resources invested in this area. The development of byproducts has lacked an adequate plan. Sugarcane production was not met because not all the scheduled areas were sowed, and a satisfactory agricultural yield was not achieved. High losses were reported in the sowing because of low quality in the preparation of land; very powerful tractors were not adequately supplied; fields were not completely leveled or drained; development and introduction of more productive and disease-resistent varieties were delayed; low quality seed was used; out-of-phase sowing was done; and work to pull weeds was delayed. These are some of the factors that contributed to fact that many fields were not adequately sowed, and this limited the agricultural yields.

The use of fertilizers has proven deficient for most crops. In addition, it has been affected by irregular industrial supplies and imports; transportation problems; high losses due to the poor quality of the containers and their manipulation and storage; delays in construction and reconstruction, and changes in the irrigation systems; and the lack of maintenance and drainage of tilled areas. Low efficiency in the use of current systems has also prevented a higher yield in our sugarcane, citrus, rice, tobacco, and fodder production, among other things. We have not achieved the highest level possible in self-supply of food and vegetables throughout our territories. We still have losses in the harvest, handling, and sales of agricultural products, and this matter gets less attention than it should.

Our livestock has been affected by inadequate handling of flocks, a low production rate, and insufficient feeding. This plus the last 2 years of drought have caused a reversal or the increase which had been achieved earlier in this 5-year period and curbed the reproduction rate. Despite the state's concern for strengthening its links with the peasant sector, it has not received adequate attention. We have been slow to make decisions about prices that clearly discouraged important productions. We have also maintained excessively high prices for certain products.

Subjective situations prevail in our national economy, conspiring against the reduction of production costs, increased yields, and savings in material, labor, and financial resources. We have not achieved enough progress in the exploitation of our industrial capacity; low quality levels and lack of stability in the labor force have become some of the basic factors for the slow assimilation process in new installations. Technical-organizational deficiencies in the production sector; insufficient use of foreign technical assistance; and lack of technological discipline and demands for industrial repairs and maintenance still prevail. The cooperatives' production for our national economy and secondary production for consumer goods have not been properly developed. The exploitation of our industrial capacity for the production of sugar, pressed bagasse boards, torula yeast, textiles, fruit preserves, and cement was very low. Rayon, clorox, and caustic soda production goals were not met, and this brought about an additional expense in foreign exchange to prevent any adverse effects on the sectors which consume these products.

The exploitation and use of construction and agricultural equipment and transportation equipment have remained at a low level. The lack of all types of containers systematically affected various production and brought about the nonfulfillment of some exports and supplies to the population. The production goals of glass bottles and containers, corrugated cardboard boxes, folding containers, labels, and plastic boxes were not fulfilled; we have yet to achieve enough progress in the recovery of some of these containers.

The mechanical industry maintains a low use of its installations and faces problems at technical and quality levels. The production of spare parts increased, but we did not always fulfill our goals concerning supplies and commodities and the development of new ones to replace convertible currency imports. All this, plus a high consumption rate, resulted in high foreign exchange expenses.

Regarding the construction sector, low efficiency is noticeable in the immobilization of resources, lack of organization, and the high number of construction projects pending completion. Ongoing projects have increased, and completion programs have not been fulfilled, particularly because the plans included new works that did not have the necessary funds and construction manpower. There is delay in technical documentation; the development of the organizations' capacity for investment has been weak; and projects have not been handled with the necessary rationality. In addition, problems have arisen at the construction sites due to the quality of materials and manufactured products.

Referring to construction maintenance, the advances achieved do not fully meet the accumulated needs. Efficiency in the exploitation of our railroads did not achieve the necessary levels, and the quality of service for the passengers is still very low. The adequate goals have yet to be achieved concerning use of the equipment to handle and transport cargo. Use of the country's cargo equipment and installations is still below its normal capacity.

The continuous accumulation of raw materials, materiel, spare parts, and other goods, plus resources immobilized mainly due to improper planning and organization of supplies, also jeopardizes increased economic efficiency. The still inefficient application of the principle of payment for work done is evident in the high percentage of elemental, not technical, norms which still prevail; insufficient payment for the amount and quality of manufactured products; and the systems of prizes and awards which do not always live up to the expected production goals in many organizations. Weak administrative activity has been noted in this sector.

One of the most serious problems we have confronted has been the lack of a definite plan for our economic development, especially in the planning and implementation of an investment process essentially based on sectorial initiatives and with an adequate centralized directorate. We have many examples: new industries and agricultural centers in areas where there are not enough houses to accomodate the work force; very important agricultural programs, like the citrus program, where areas have been sowed but have no irrigation; irrigation systems without a pumping station or power to put them into operation; workshops and installations without the necessary connections; housing areas that have been completed without urbanization; etc.

Port investments are behind with regard to the development of international trade, and other links in the port-transportation-domestic economy chain have not grown at the necessary rate. In the case of the central railroad, we have invested hundreds of millions of pesos, but its exploitation has not been sufficient because it has not always been completed with the necessary line signals, loading and unloading centers, railroad stations, etc. We have not lacked foreign financing to carry out various plans, but these plans have not always been accompanied by the necessary judgment and discipline to take advantage of the resources invested.

Despite efforts to erase the disparity in the social and economic development of various areas, there are still some differences, especially in the eastern areas. The support for the mountainous regions has not been enough to achieve the settlement of agricultural workers and peasants of those regions.

In the scientific-technical field we have not had the necessary links for the subjects under investigation to offer specific solutions to the main problems of our economy, nor have we had the necessary organization to prevent the duplication of effort. We maintained various investigatory efforts, and this has resulted in the fact that the modest advances achieved have not been in proportion with the resources made available. It has been proven that introduction of the scientific-technical achievements does not enjoy adequate priority. In general, the specialties of scientific degrees granted are still not enough for the country's needs.

We are behind in development of our electronics industry. Only recently were the first steps taken to include computer techniques in education, public health, scientific investigation, transportation, and production processes. Even though we increased the automation of data processing in the administrative area, this is still not enough. We must note that modern retrieving techniques, linked closely to the use of computers, have hardly been developed.

The supply of basic goods guaranteed to the people presented a lack of stability and flexibility in trade. Though much was done for the workers in the sugarcane zones and agricultural areas in general through the orchard areas, and even though this represented a just intiative of the revolution, this right was abused. It created increased distribution, at times excessive, to the point that those favored by the orchard plan were also receiving goods from other means. Lands were being used for this to the detriment of basic productions of the enterprises.

Industrial products for private consumption, especially clothing, footwear, household furniture, sheets, and towels, have not been sufficient. There has been a problem of variety, incorrect sizes, bad finishing, and obsolete and repeated models. This problem has been aggravated by difficulties in distribution that at times have been absurd.

In the services there have been demonstrations of a lack of sensitivity to the population's problems, treatment that is not compatible with the postulates of the revolution, low quality help, lax administrative attitudes that favor disorders and denigrate the role of the state, and some schedules that do not adjust to the needs of users, further aggravating the problems of an insufficient network.

The situation of services in the City of Havana creates serious problems for home maintenance, installation of public services, and passenger transportation. Water supply is deficient and worsened by the waste experienced by the condition of the network. Telephone service is experiencing serious difficulties. The number of beds available for medical treatment in the capital city, where some national services are also offered, has not grown at an adequate rate. The paperwork that the people must complete before they can resolve simple legal problems continues to be excessive and bureaucratic.

Despite undeniable advances in the area of health, the demand for quality services is still not being met. Although negligence is not frequent, these cases do occur. One single case of negligence is incompatible with the principles of medical ethics. The treatment provided by some personnel on duty at some hospitals is deficient in quality because of the pressures for medical assistance. An adequate stability has not been achieved among auxiliary personnel. At some centers hygiene is below requirements. Costly equipment has been purchased, and there are times when installation of the equipment is delayed. Maintenance is still insufficient. The production of a batch of medicine may not be stable, and the distribution of this medicine has encountered difficulties.

Even though we have increased awareness about the protection of our environment, the struggle against contamination has been slow, and the proper disposal of residues has been achieved in only a very few installations. Many of the medical treatment systems are not working or are deficient, and because of an oversight, the complementary investments necessary for the operation of this equipment has not been programmed in many of these new installations.

The quality of the teaching process still has deficiencies. Some classes are still rated as only fair or poor. Many times notes replace textbooks. Some students are passed to the next grade without the necessary knowledge, influenced by certain existing mechanisms and other causes. Teachers and professors have a bureaucratic overload, which distracts them from the basic objective of their tasks. Among other factors, the work of students who go into higher education shows deficiencies in the system. The program of teacher evaluation is still insufficient, and the cirriculum needs to be improved. Deficiencies in formal education persist, even in teachers, and incorrect behavior is exhibited by some youths, strictly as a result of bad habits and social causes.

There are some laboratories and workshops that have not been set up or which are not in operation. In many cases the installations are not being utilized and their maintenance presents serious difficulties. Sports facilities are not being properly utilized. Although they have improved, study habits and skills in students of higher education with foreign language knowledge are poor. Their cultural development as a whole is not satisfactory. The process of incorporating recently graduated teachers with no experience should be noted. It is only in the last few years that production professionals have been incorporated in the teaching system; and teachers have been incorporated in production, but not sufficiently. The cultural and artistic potential and cultural installations of the country are not fully utilized. The publicizing of activities is still insufficient, as is work with children and youth so the work of community cultural institutions still does not have adequate repercussions. The link between cultural groups and the media has been weak. The lack of cooperation between artistic groups and radio and television has not contributed to the essential development of artistic and creative potential. Editorial policies have deficiencies. The release of books is poor. For various reasons there are problems related to movie programming; not all movie scripts achieve the required quality.

Regarding employment -- one of the people's basic rights -- while in many areas of the country there is a shortage of workers, there are excesses in other areas of the country, which should be considered in planning development programs.

The control of administrative payroll and the work for their constant reduction shows a generalized weakness in our state system. Many workers, technicians in various specialties, have nonproductive jobs in different state offices, away from production and service positions where they could be making valuable contributions and developing as promising technical cadres.

Cadre policy regulation was dealt with too late. Its implementation has been very limited. The training of the state's administrative cadres was not organized systematically. After initial efforts in implementation of the economic planning and direction system were made, no consistent improvement efforts were made. The motivation was lost, and the necessary creativity to tailor to our special needs a system mainly taken from the experience of other countries was lacking. Thus, the nucleation of enterprises and the first enterprise labor unions began to occur because of the pressure of certain ministries. Some of the labor unions are not exempt in certain cases of sectoral approaches and poor cohesiveness, which will have to be revised.

A supply organization which was excessively centralized remained virtually static. Little was done to improve the organization of foreign trade and speed up its activities. Lack of discipline was noted in the reaching and fulfillment of contracts. Some progress was made on incentive mechanisms, but in an isolated, disjointed fashion, which did not always prove to be a real economic lever. Statistics continued to be an exaggerated compilation of data of questionable usefulness. The accounting system shows serious deficiencies, beginning with the main register. Until very recently, efforts were not made toachieve a real participation of all administrative and work center levels in the creation of the plan. Its methodology remained the same. A comprehensive control program was not pursued.

During most of the 5-year plan, the budget continued being a passive, nonregulating tool but encouraged spending and inadequate social consumption. It was unrelated to the material aspects of the economic plan and was lenient with the enterprises regarding their contributions to the state. In general, the demands in fulfillment of the established mechanisms were not met. Added to its few flaws, indiscipline and sectoral tendencies were added as erosion factors. On the other hand, we have not been selective. We have tried to have uniform legislation for all cases.

The economic direction and planning system regarding the efficiency of enterprises can be a complete deception if we attempt to solve their profitability by increasing the prices of products, construction, and productive services. Some prices of maintenance, construction, and transportation, to mention only a few, are flagrantly high. This only covers inefficiency and excessive payroll and spending.

I think that we still have a lot to learn concerning efficiency matters, and we must not behave like apprentices to warlocks, in other words apprentices to capitalists. If these deficiencies are not overcome, the economic system to guide and plan our economy would no longer be a leading factor in our development. [applause]

The party and the state have been aware of all the problems that still prevail in our country's economic and social development. Many of these problems were analyzed in general during a joint meeting of the party, government, [Castro coughs] and mass organizations. The meeting was held 22-24 November 1984. The appropriate decisions were adopted, and they have already had repercussions in this phase of our revolutionary activities. They will undoubtedly have further repercussions in the future.

We issued a call -- with great frankness and based on carefully analyzed arguments -- to our political and government cadres and to all the people during the national energy forum held on 4 December 1984. We urged them to become fully aware of the times and world in which to live; the privileged circumstances that surrounded the revolution; and the most sacred duties of the current revolutionary generation. Following a reasonable appeal to save fuel and raw materials, based on solid and irrefutable information, we outlined a series of basic principles that must guide our future efforts. We said our country has achieved extraordinary progress in the social sector over the last 25 years; but despite the undeniable progress that was also achieved in the production sector, we are certain that the main efforts must be exerted in the economic sector during the next 15 years. Later we added: We must give absolute priority to two things in the investment programs. Mark my words, we must give absolute priority to all the investments that save convertible currency imports or generate convertible currency exports. We must diversify exports and increase them by at least $500 million per year between 1985 and 1990. We have reached the conclusion that convertible currency exports can be increased not only to $500 million but perhaps to double that amount, to 1 billion, we said on that occasion, when referring to what must be achieved in 1990. The other essential strategic principle, the most essential of all, that we mentioned on that occasion is the following: If the socialist system established by the revolution was important for our homeland, the existence of the socialist community and the relations that the revolution established with it -- particularly with the Soviet Union -- were even more important, even more decisive, given the cooperation we were able to receive and the excellent trade terms that have been established with those countries.

We said that the products we export to the socialist area have become more valuable, and we use them to obtain more fuel, raw materials, machinery, and food. Thus, we have an unavoidable obligation, a tremendous moral obligation, which means that we must strictly fulfill our pledges for the shipment of merchandise to socialist countries, the shipment of sugar, nickel, citrus, and other goods to socialist countries. During that speech we greatly emphasized the fact that our problem is development, our problem is the future. We cannot mortgage the future for 10 additional meters of material per capita.

In other words, given that we have already solved important material and social problems, we cannot sacrifice our future to fulfill our needs for consumer goods. Close to the end we said: This does not mean that we must give up any of the progress achieved so far; it simply means that we must exert ourselves even more and improve the use of our of our resources, organization plans, and programs. We must simply improve our plans for the future; that future which we have won the right to conquer with the heroism, courage, and firmness of our people.

A few days later, on 8 December, when the federation of mid-level school students concluded their congress, we issued a strong appeal to our youths to adopt these principles. Based on the great progress achieved in the social sector and on what we could achieve in that sector, particularly concerning the quality of health, education, culture, and sports services, we said: You will have many responsibilities. The year 2000 is more yours than ours. The future is yours; what we discussed some days ago is really your obligation, not the responsibility of our current generation. You must think about the future, consolidate what we have -- which is a lot -- in the social sector, and develop an intelligent and wise economic policy that guarantees achievements in the future. Later we added: We are a country that cannot disregard its history. We were a colony for more than 400 years. We have an economy based on agriculture. We were a Yankee neocolony for approximately 60 years. We achieved our freedom and independence and started our development. We cannot harbor fantasies or be misguided by a consumer society philosophy. The youth must tell themselves: We must have what we need, the books we need, the materials we need to grow, develop ourselves -- to make ourselves physically and mentally healthy -- and, above all, to prepare ourselves for the future. That is the task of our youth if we are going to have a future, and you must be a vanguard of these ideas, aware, fully aware, that we must work for the future and invest for the future. We must not be misled by the capitalist and developed societies' consumer habits, because, among other things, they maintain their life of luxury at the expense of the rest of the world, at the expense of the hunger and death of hundreds of millions of people around the world.

During that same month, on 28 December 1984, we insistently reiterated these ideas and expanded on them before the National Assembly. At that time we said: We are men of honor and integrity, and our people have achieved great prestige, great respect, and great love within the socialist community. The more strict we are about fulfilling our commitments, the easier it is for us to gain the will, desire, and enthusiasm of others to help us. We continued, saying that two recent facts have unleashed two real revolutions: one in the area of defense and the other in the area of economy. The results the revolution has achieved in its defense plans will also be achieved in its economic plans. However, it is necessary that these plans be drafted by all the people. That was the war of all the people, and this must be the economic battle of all the people, the economic war of all the people.

At that time we also explained that the central group had been created and that it was formed by the vice presidents of the Council of Ministers and the ministers, with the participation of the secretaries and chiefs of the departments of the Central Committee and the presidents of provincial organizations of the people's government, who, based on our principles and working tirelessly, had reorganized the 1985 plan. And we explained that the same would be done for the 1986 plan, the 5-year period plan, and the perspective plan until the year 2000. We had begun a new and qualitatively superior phase of the revolution. The methods of drafting, controlling, and implementing the plans, with the participation of all the organizations and sectors, from the very beginning of their drafting, have represented an important step forward.

The year 1985 was undoubtedly one of great savings and efficiency and the year of the best economic results for the revolution. However, it is only the beginning. A test of the seriousness and consistency of the new attitude came in July 1985 when it was learned that the long and extended drought would affect 1 million tons of the 1986 sugar production. Making a huge sacrifice, our country bought, in convertible exchange, 500,000 tons of sugar so we could meet our commitments to the USSR. [applause] [Castro coughs]

Months later, shortly before the harvest began, and when our sugarcane was ready to be cut, we were hit strongly by Hurricane Kate. I will repeat this sentence because I did not read it correctly. When, a few months shortly before the harvest was to begin and the cane was ready for cutting -- there is an extra word here [laughter] -- we were strongly hit by Hurrican Kate, our people did not hesitate in putting forth heroic efforts to pick the last piece of sugarcane and produce up to the last grain of sugar that could be recovered. This is the least that could be expected.

The central group will continue to work. The structures of the state organizations will continue to be perfected. The deficient officials will continue to be replaced. [applause] We have become aware of difficulties, deficiencies, and problems that can and must be overcome, especially the need to do a skillful, vigorous, and tenacious job. We will not tolerate laziness, negligence, inability, or irresponsibility. The learning state must be behind us. It is time that we fully implement the vast experience and knowledge we have acquired in the years of the revolution. This represents unconditional commitment and devotion. [applause] [30-minute recess is announced at this point]

[At 1651 GMT Fidel Castro walks back to the podium and remarks: "We are talking about discipline and some of the delegates are late in returning." Castro then waits while the delegates return to their seats. He grimaces and then makes hand signals to an unidentified person. As the delegates continue to return en masse, Castro comments: "It is like a river."]

The aides are discussing whether we should say kilowatts, so many grams per kilowatt, or kilowatt-hour, or if we should not say that. They have been arguing about that for half an hour. Is there an electrical engineer here who perhaps could tell us how we should say that? Grams per kilowatt-hour? They have been arguing for half an hour. Is there an expert around here? Someone who knows about this? Right! Thank you. This is what we needed. No one here at the presidency knew how to resolve that problem [applause and laughter]

I believe from what the stenographers have said that when I should have said 761 young doctors are offering their services, I said 761,000. It must have been a conditioned reflex due to the fact that I have mentioned so many numbers. I apologize. It is not 761,000, but 761 young doctors who are offering their services as family doctors. Is that clear? Fine.

For those of you who are impatient, for those of you who are hungry by now -- and this happens at meetings, I know that from experience -- I have always said that what I like best about meetings is the breaks. For this reason there is the danger that people may return late from breaks. Intellectual work, unfortunately, gives people a good appetite. I have seen people who have a state of anxiety related to mental work and forget the anti-obesity campaign when they sit down to eat. For those people I want to inform that this second part will be shorter.

In order to speak about the entire effort and to encourage your spirit of unselfishness, I want to tell you that there are four parts left, but they will be shorter. The first part was the most lengthy, of course. This part will take 1 hour and 5 minutes, or 1 hour and 10 minutes. I think we are going to be on target.

Now we are going to talk about what we plan to do in the next 5-year period.

In the 1986-1990 5-year period, we plan to grow at a rate close to 5 percent annually. We can set this goal for ourselves, in spite of the unfavorable world situation, thanks to the nature of our economic relations with the socialist camp.

Exports will grow at an average annual rate of 5 percent. Imports will grow at the rate of only 1.5 percent. We will maintain the policy of reducing energy consumption. For this purpose we have prepared a national program for the rational saving of energy. The program comprises 10 big action sectors and 74 main subjects [temas]. This will allow us in 1990 to consume 10 percent less oil derivatives than we would consume if we were to maintain the 1985 consumption level, and the 1985 level has already been reduced quite a bit. Imagine the savings that 10 percent less in energy expenditures would represent between now and 1990.

Higher economic efficiency will be secured with an increase in work productivity. This work productivity will increase at an annual rate of 3.5 percent on the basis of a superior work organization that will depend on an expansion of permanent and integral work brigades and on economic estimates at the state level.

In this 5-year period, which coincides with the greatest growth in labor resources, it is expected that there will be a high employment rate. I believe very few countries can make this proposition, considering the tragedy most countries are enduring. Many industrialized capitalist countries every year have more unemployment, but we, in spite of the fact that this will be a period when the labor force will grow the most, plan to maintain a high employment level during this 5-year period.

The plan includes strong reductions in the consumption of materials such as ferrous metals, pulp, paper, and cardboard, lumber, plastic resin, bran, tires and tubes, and steel and cement bars. These reductions will be based on the implementation of organizational and technical measures that should reduce production costs by 5.9 percent.

The country will begin implementing scientific and technological programs that have been organized to direct and to consult with the country's scientific resources to resolve the most important strategic economic problems.

If we have the support of the science sector, to which many resources have been assigned, as you must have noticed -- thousands, 14,000 at the university level -- we must link those resources more to production, to the search for solutions to specific problems. We must not do like many people, who research on the subject they chose when they graduated, subjects that on many occasions have nothing to do with our real needs.

We believe that since we have a scientific potential, we must direct that potential in the right direction.

We will give no less priority to guaranteeing the importance that our country has given to the overall program for scientific-technical progress until the year 2000 recently adopted by CEMA. We will join efforts in the common task of radically increasing production, which not only has economic importance, but also great political significance.

We will invest 23.14 billion pesos in the civil sector, which represents 29 percent more than during the previous period. From this amount, 45 percent will be allocated to the industrial sector.

In order to establish the main development programs, we have thoroughly examined the country's main productive fields and activities, with the collaboration of approximately 300 high-level experts, which has resulted in a better coordinated plan. I am talking about the plan for the next [corrects himself] for the current 5-year period.

Within the development programs that have been analyzed are those related to sugarcane by-products, as well as tobacco, citrus fruits, rice and other grains, coffee, cocoa, hog-raising, the pharmaceutical industry and veterinarian pharmaceutical industry, fodder production, soil, hydraulics, shrimp-raising, platform fishing and shipyard for that industry, international tourism, electronics and computer sciences, iron and steel industry, industrial gases, oil exploration and exploitation, soaps and detergents, recovery of raw material, bottling and packing, metrological accuracy [aseguramiento metrologico], international communications, inter-city telephones, and basic services to the population.

Sugar production must increase by 15 percent. This is a significant contribution, because, for the reasons that I explained, in 1986 [as heard], we had a decrease. The mill potential per day will be increased by 5.75 million arrobas, basically as a result of the expansion of the present sugar mills, to which three others will be added.

Sugarcane agriculture must reach a total of no less than 75,000 arrobas per caballeria. For those guests who do not know what an arroba is, it is 25 pounds. A ton has 50 arrobas. A caballeria consists of 13.4 hectares; that is, some 134,000 square meters. We cannot constantly translate these measures, because we have not yet become adapted to the metric system, and we have to use these terms sometimes in order for the people to understand us, while at the same time we are struggling to assimilate the metric decimal system.

Most of the investments for the production of unrefined sugar will be allocated to the replacement and expansion of existing industries, particularly for the agricultural infrastructure that will guarantee the supply of sugar. Plans have been made for the completion of over 23,000 houses in the sector, without including housing to be assigned to the sugarcane cooperatives.

Plans have been made for an accelerated development of sugarcane by-products, especially those to be used for feeding livestock, that is, urea [melurea], protein honey [miel proteica], predigested bagasse [bagazillo predigerido], pajumel, cane froth, green residues [residuous verdes], torula yeast, and sucrose products [sacaronices]. There will also be an appreciable increase in the production of products from bagasse [tablero de bagazo], urea-formaldehyde resin, and alcohol. We will begin to produce leavening for human consumption. Moreover, in the 5-year period, construction will begin on plants to produce furfural, glycerin [glicina], and citric acid, which will begin producing after 1990.

Non-cane agriculture will grow at an average annual rate of 45, [cuatro cinco coma] percent. Production of citrus products will again be doubled in the 5-year period, from 732,000 tons in 1985 to 1.4 million tons in 1990; that is, at a average growth rate of 13.9 percent annually. The plantations already exist. Intensive work is being done on irrigation systems; thus, it will not be difficult to double the citrus production once again in the 5-year period.

Tobacco production will increase at a rate of 6 percent annually; coffee, at 7 percent; unprocessed rice, at 4.4 percent; vegetables, at 5 percent; milk, at 4 percent; pork, at 8 percent; eggs, at 1.8 percent, although the market is practically saturated; and dressed poultry, at 1.5 percent.

Thirty thousand housing units will be built in agricultural enterprises, in addition to the sugarcane enterprises, for the use of the labor force. The food industry will grow at the rate of 3 percent a year. The production of citrus fruit preserves for export will increase at the high average rate of approximately 35 percent. The processing of beer, soft drinks, and alcoholic beverages will increase at the average rate of 7 percent; beer, at 11 percent, and soft drinks, 2.5 percent, the alcoholic beverages. [sentence as heard]

Fishing production will increase from 220,000 tons in 1985 to 248,000 tons in 1990. An increase in this activity is not easy. There will be an increase in aquaculture and shrimp breeding. We plan to increase production in these areas. We plan to produce some 8,000 tons of shrimp in 1990. A great effort is needed. This is on land run like a poultry farm. Production of electrical energy will increase at an average rate of 4.3 percent annually. The rate of consumption will decrease from 260 grams of fuel oil per kwh to 240 grams. This is a significant decrease that will be achieved by putting the new installations into operation and closing some of the old ones. This is a very important savings.

The national geological expertise will yield 32 percent in 1985 and 50 percent in 1950. [sentence as heard] Oil production will reach 2 million tons and the refining of crude oil will increase by 30 percent as compared to the previous 5-year period. Liquefied and manufactured gas production will increase by 32 percent and 21 percent, respectively. With the new Punta Gorda plant, nickel and cobalt production will grow at a rate of 14 percent per year. Steel production will increase 57 percent in 1990 as compared to the 1985 production figures. The metal-working industry will grow at a yearly average rate of 9.3 percent. The manufacturing of spare parts will reach 8 percent, and the recovery rate will reach 10 percent. The electronics industry will make an important leap forward in this 5-year period.

The production of microcomputers will be developed and that of displays [preceding word in English] will be expanded. Alphanumerical keyboard microcomputers will be introduced. The technical and production base for the manufacturing of semiconductors will be consolidated. Skills will be developed, as well as the production of raw materials and material for this industry.

In addition, the production of medical apparatus, equipment, and furniture will be increased and diversified. The production of color television sets will be increased, as well as that of communications equipment. Development in this field is largely based on broad cooperation and integration with the other socialist countries. Fertilizer production will see an overall increase of 30 percent as compared to the previous 5-year period. The production of new tires and cameras will grow at a rate of 5 percent annually.

In the cellulose, paper, and cardboard industry, an overall growth of about 40 percent as compared to 1985 has been planned. In the production of containers, the strategy of preferential development of paper, cardboard, and glass containers has been adopted, based on the national supply of raw materials. The production of plastic containers will come second, with an eye on replacing metallic and textile containers. With this in mind, important investments have been planned for plants and production lines for corrugated cardboard boxes, multilayer bags, industrial bags, round containers, composite cans, foldable fiber drums, labels, stamps, cellulose moldings, glass containers, plastic flasks, metallic lids, collapsible tubes, flexible materials, films, bags, plastic lids and boxes, and new types of synthetic-weaving bags.

The production of construction materials will grow at an average annual rate of 4 percent. The production of processed marble will grow fourfold in 1990 as compared to the 1985 levels. This is logical because our current production is relatively low. The production of sanitation products will increase 70 percent in 1990 as compared to 1985. This does not take into consideration a possible new factory.

Transport will have an average annual growth of 5 percent. The investment program for the central railroad will be continued. The effort for new roadbeds will continue. Basically, however, we plan to complete a considerable number of loading and unloading centers and make considerable headway in the installation of traffic signs and the construction of railroad stations and junctions. The merchant fleet will reach a dead weight of 1,360,000 tons in 1990 with the addition of 35 new vessels. Of course, we have to take into account that some have to be retired.

We plan on receiving 1.2 million tourists during the 5-year period, about twice the number of the previous period. Toward this end, the 5-year plan provides for an ambitious investment program essentially concentrated in the tourist poles of Havana, Varadero, and Cayo Largo. This program includes the refurbishing of current facilities and the construction of new hotels and infrastructure works.

The population's standard of living will continue to increase moderately with regard to their number of personal properties, yet emphasizing the improvement of their quality and their service-rendering abilities. The people's caloric consumption rate will experience a sustained growth of 3.9 percent annual average. In 1990, approximately 3,100 calories will be consumed on a daily basis. Perhaps this figure is too high if we are really going to push our drive against obesity. In addition, this figure includes 83 grams of protein per capita.

The production of yarn and weaving materials will grow at a yearly average rate of 12 percent. There are new manufacturing plants, as you can understand. This is why the growth rate is high. Despite our current policy of diversifying and increasing exports and giving priority to development over consumption [changes thought] I refer to the end of the previous session, when I said that it is more important to assure development than to have 10 more meters of fabric to wear per year. Despite this priority of development over consumption, the per capita consumption rate will be strictly applied during the 5-year period. The consumption of personal and domestic fabrics will be increased by 6.5 square meters for 1990 as compared to 1985. This will be reflected in the availability of clothes, underwear, and housewares. This increase will help meet the people's needs not completely fulfilled otherwise. The sale of 12 million articles of clothing in 1985, including the sale to tourists, members of the diplomatic corps, etc., in our own country is estimated to jump to 75 million in 1990. In 1990, the production of footwear will nearly double as compared to 1985.

Liquefied gas will be distributed to 235,000 new homes during this period. Another 74,000 will get manufactured gas. This is to say, more than 300,000 homes will get this type of fuel.

All the projects that have been under development during the past several years will enter into production. No less than 325,000 new families, including [those in] the new houses built in the cities and the field, will receive electrical services. The state will build 185,000 housing units. That is approximately 60,000 more than in the past 5-year period. A total of 15,000 will be built through the agricultural and livestock cooperatives. State-built housing will be destined specifically to support priority investment programs and agroindustrial developments, and part will go to maintain adequate levels in the cities of Havana and Santiago de Cuba, which are two of the most critical points. To this we must add no less than 180,000 housing units that will be built through self effort. That will bring to almost 400,000 the total number of dwellings that will be built during the 5-year period.

The production of home furnishings will double in 1990 in relation to 1985. The spring mattress factory will be modernized to satisfy the projected demand for 1990. The production of bath soap will grow at an average annual rate of 13 percent; household detergents will also grow by 13 percent and toothpaste by almost 8 percent.

More than 13,000 buses will be assigned to cover urban, suburban, and intermunicipal transportation. This includes those that will be assigned to schools, factories, and other (?places) throughout the country. All city buses will be 11 meters long, except 500 articulated [articulados] ones that are longer. A large number of the suburban and intermunicipal ones will also be 11 meters long. All the other buses will be 9 meters long, or a little longer.

Five hundred four-wheel drive buses will be assigned to rural mountain transportation and 150 special buses to the national bus service. Many of the buses the provinces will receive will have diesel engines. This will save a considerable amount of fuel. These incorporations during the 5-year period will replace part of the obsolete fleet that exists, improving its technical condition, thus providing for better service.

Now what I am going to say is very important. Urban passenger transportation is abused excessively. There are patrons who ride a vehicle to travel only a few blocks. With the international price of fuel increasing up to 14-fold, and no less than four times the value of equipment -- not taking into account salary increases -- the price of urban transportation in our country has remained unchanged for 20 years. Moreover, it is even lower than the [price] that existed before the triumph of the revolution. This makes indispensable -- let this be understood well -- makes indispensable the revision of urban transportation to make the enormous amount of equipment, material, and human resources that the economy devotes to transportation more rational, more economical, and more useful. In a few words, fares will inevitably be increased in this 5-year period. The sooner the better. [applause]

During this 5-year period, 185,000 new telephones will be installed. Four new telephone centrals will be placed in operation in Havana, and four others will be expanded, making a total of 47,120 lines and 58,900 new units that will nonetheless be unable to satisfy the high demand. We must see what we will do in those new buildings, if we put at least one unit on each floor. How will we use the telephones? There are not enough to go around, no matter how many are installed.

The number of hospital beds per 1,000 inhabitants will increase from 5.4 in 1985 to 6.2 in 1990. That year there will be one doctor for every 284 inhabitants, a stomatologist for every 1,509. This medical estimate per inhabitant is relative. The ones that render services abroad are counted. The rest is relative. We are concerned that the physician be where the inhabitant is. Many countries say so many per inhabitant, but there are millions without a doctor. Meanwhile, there is a surplus of doctors in other areas. We will have a doctor where the inhabitant is, not only by inhabitant. We count them twice where the citizen is: if he is in the factory, in the factory; in the community, in the community; if he is in the hospital, in the hospital. Wherever the citizen is, as we said before, the doctor will be there.

No less than 8,000 new doctors will enter into service and 8,000 new nurses will join the family doctor program. That is, those who will join those ranks are already studying to be doctors. We will have a promotion of 3,000 doctors in 1988; 3,200 in 1988. In 1990, we will be graduating approximately 4,000. So this is [changes thought] the students who will work in this program are listening to this conversation.

Approximately 27 hospitals will be completed. This includes municipal hospitals -- they will be big hospitals, although there will be some small ones -- 45 polyclinics, 12 stomatology clinics, 87 institutions for care of the elderly, and 26 homes for the handicapped. In Havana, there will be approximately 4,000 new beds in hospitals that will be completed, expanded, and remodeled.

These include the Miguel Henriquez, Julio Trigo, Calixto Garcia, Salvador Allende, Frank Pais, Albarran, Finlay (Diaz Soto) and the new pediatric hospital in Marianao. In many of these, the laborers are already at work, and in many others they are laying the water lines.

Production of medicine will be increased 75 percent over that of the previous 5-year period, and exports of these products in 1990 will be twice that of 1985.

In education, there will be a structural change in registration as a result of the modification of the age structure, because there has been an increase in the population aged 0 to 4 years and over 17 years. The increase in people over 17 is the result of the last population explosion, and there is an increase in children aged 0 to 4 years because there has been a new explosion, not as large as the last one, but an explosion just the same because the former group has entered what the specialists would call the fertile age. Meanwhile, the 6-to-17-year-old group is decreasing, a circumstance that the plan for investment in new capabilities will take into account. The number of students in higher education will be similar to that of 1985, which was 35 students for each 1,000 inhabitants over 17 years of age.

More than 8,500 movie seats will be added by 1990, 50 percent of them in the eastern provinces, and over 5,000 in theaters and cinemas.

To revitalize the efforts related to the system for directing the economy, it has been decided to create a national commission, attached to the Executive Committee of the Council of Ministers. It will be in charge of supervising and perfecting the application of the system. The commission will be an independent organization, headed by a minister, which will serve as a center for the direction, coordination, promotion, and control of all tasks related to the methods and mechanisms of direction. The commission will be made up of representatives of the various organizations of the state who will collectively debate and analyze the problems related to the system as a whole and thereby achieve a close coordination among all the factors involved in directing the national economy. It will also include a group of highly qualified and experienced specialists.

Efforts are being made to reform wholesale prices with an eye to applying the reforms during the 5-year period.

This 1986-1990 plan, which we have outlined very sketchily, is part of the strategy for development up to the year 2000 which we continue perfecting, while proceeding to a broader coordination of long-term plans with the socialist countries.

In the economic area, the basic objective of that strategy is to accelerate the country's process of industrialization. Key factors in the future economic development and in the industrialization process require an increase in and diversification of exports, replacement of imports, especially imports from the capitalist camp, the strengthening of the integration of the domestic economy, utilization of natural resources, renewed efficiency of social production with economic use of all resources, especially imported resources, the recovery and recycling of raw materials while protecting the environment, utilization of available goods, integration of the investment process, giving it priority from the viewpoint of its impact on the balance of payments, concentration on a number of projects that are already under way to reduce investment in the completion process and to put them into operation sooner, and a vigorous effort to ensure that improvements in the standard of living are based solely on real development and the country's own resources.

Our socialist integration into CEMA will be strengthened. Greater emphasis will be placed on the preferential development of the metalworking and electronics industries, light industry, pharmaceuticals, and biotechnology, and on the production of sugarcane derivatives as important bases for generating new exportable funds.

International tourism will be promoted as an important source of foreign exchange. Agricultural development will be intensified, ensuring that intensive exploitation of the land and an increase in its productivity will be the main factors in increasing traditional exports from that sector and in increasingly satisfying the people's nutritional needs.

Priority will be given to measures designed to achieve the economical and rational use of fuels and other material resources, as well as the optimum utilization of productive plants, which must be modernized with preference given to investment in new installations.

Scientific-technical development will be geared toward meeting the needs of the economy and to promoting nuclear science and technology for peaceful uses, biotechnology, electronics, and computer sciences, as well as other advanced sciences, which will be the bases of the country's future progress. Due attention will be paid to the development of industrial design.

All efforts must be directed toward a sustained increase in the productivity of labor -- at the same time that we ensure full employment of labor resources -- toward a reduction in costs, and toward an increased profitability of enterprises; in short, toward efficiency.

This strategy reflects the experience gained by the revolution in more than 25 years, the ideas and concepts adopted by the party and the government in December 1984, and the economic guidelines and draft party program that will be analyzed during this congress.

Guaranteeing the defense of the fatherland, without which we would not be able to give a review of the work of our party and our people, or think about 5-year plans and prospects, was one of our most intensive, heroic, and fruitful efforts in the past 5 years.

Within the limitations imposed by discretion in speaking of this topic, stating exclusively only that which can be stated and revealing all the data that can be revealed on the many advances that have been made, I will list the following: During this 5-year period, our concept of the war of all the people crystalized and was significantly enriched by adapting our military doctrine to it. Based on these new concepts, war time plans have been developed and refined at all levels of the Revolutionary Armed Forces [FAR] and for all the country. The organic structure of the large units of the FAR's regular troops were improved, making possible the availability of rapid reaction formations, permanent combat readiness, high levels of mechanization, high fire power, high maneuvering capabilities, and independence to wage combat actions up to the level of small units. The troops of the Daafar [Antiaircraft Defense and Revolutionary Air Force], and the Revolutionary Navy forces, with the introduction of more modern weaponry and techniques, have qualitatively increased the possibilities of staging a rapid response to enemy actions.

The FAR's mobilization system was improved by significantly reducing the number of armaments that would have to be transported and the transportation of personnel over lengthy distances. This increases the troops' vitality in the event of a surprise attack, allows the reduction by several hours of the time necessary to place units in total combat preparedness, and saves an important amount of resources.

Work was done in conjunction with government agencies to organize hundreds of special units of different kinds for a more rational and coherent utilization of the forces and means that the economy possesses. More than 500,000 reservists have been trained, both individually and within small units, to improve quality, make regrouping efforts simpler, and improve the training of regular troops. During the 5-year period, more than 100,000 fellow countrymen carried out internationalist missions. Important contingents with better training have rejoined our reserves. Many of them possess combat experience.

The training programs for the troops, general staffs, and military teaching centers were improved in accordance with the concept of the war of all the people and with the object of achieving a more all-inclusive training program that will prepare them to wage combat in conditions of technological superiority over the enemy and make them adept in combined warfare actions, that is, regular and unconventional warfare. A system to prepare special units was created and developed in many centers established for this purpose and where tens of thousands of regular troops have been trained, as well as troops of the territorial militias. Work has been done to bring women into the active military service and increasingly on the efforts to promote women to officer.

During the 5-year period, more than 7,000 new officers conducted studies in military education centers in Cuba and abroad. In that same period, 200 officers obtained candidacies to doctorates in science. Military service and higher education were brought together and nine military college preparatory schools were established. This makes it possible to send to the universities an increasing number of youths who have completed their military service and who while they study also prepare to be reserve officers. In the past several years, more than 5,000 youths entered universities that way.

In keeping with the agreements of the last congress, officers' standards of living and employment conditions continued to be improved. In this sense, the construction of 20,840 housing units deserves special mention. However, great needs persist, particularly in western Cuba, which is the most densely populated, defense-wise.

The capacity to repair weaponry and technical equipment was doubled during the 5-year period. In cooperation with the national economy, the necessary steps were taken to develop and manufacture light weapons of various kinds. Primitive armaments for the defense areas, municipalities, and provinces began to be manufactured.

The Society for Military-Patriotic Education has made a great effort with regard to our youths' partiotic military training and has almost 220,000 members grouped in 5,824 base organizations. The Youth Labor Army made an important contribution to the economy by supplying approximately 40 million tons of sugarcane to the sugar refineries. Its units are organized in combat battalions and armed [armadas] companies. All of its members fulfilled their special combat preparedness plan.

More than 70,000 officers received training for the Territorial Militia Troops. In 1984, all of the units established during the first phase of this colossal force had completed training. In a brief 5 years, almost 1.5 million men and women were trained for incorporation into the nation's defense through the Territorial Militia Troops.

In 1985, 14 and 15-year-old students began their preliminary training and formed small reserve units. So far, nearly 150,000 of these young people, authorized by their parents, have joined the reserve units. This gives us an idea of the people's massive and full participation in the defense of the homeland. The arms and ammunition of the Territorial Militia Troops are widely scattered. This considerably increases their protection and reduces the time required for the mobilization of these units. In 1984, defense zones were organized all over the country and all attained a ready-for-defense status, as well as the 179 municipalities. All the members of the zone defense councils were given preparatory courses. In addition, more than 100,000 leaders, seconds in command, and other officers of production and defense brigades have been trained. We can assert that nearly 80 percent of our population's able-bodied men and women have been organized, this is to say, men and women physically able to fight regardless of age. Means have been provided for their active participation in defense. [applause]

Millions of weapons of all kinds, millions of grenades and antitank and antipersonnel mines, most of them either purchased abroad or manufactured in the country in only 5 years, constitute our arsenal. To this, we must add a huge number of various primitive, yet effective arms that our people have learned to make.

A considerable effort was made in the preparation of the party and state leadership at all levels. More than 100,000 have been trained for their functions. These, together with Territorial Militia Troops, production and defense brigades, and others, make up a total of approximately 300,000 who have been trained for the various missions in these years. All the provincial defense councils, the municipalities, and their staffs have their principal and reserve leadership posts and their working plans. Party and mass organization structures for times of war have been perfected and consolidated. The country's single communications plan has been devised and is being perfected to ensure leadership in this situation.

Progress has been achieved in the automation of the command procedures of the staffs through the use of computer techniques. The early warning system all over the country has been substantially improved with the installation of automatic systems. The organization of antiaircraft defense by the people has begun. During the 1981-1985 period, the operational conditioning in the theaters of military operations aimed at increasing protection for troops, command, technique, arms, and reserves of all kinds has been completed. Master plans were devised and systematic work was carried out to prepare the support bases in protected regions.

The full decentralization of permanent FAR troops was ensured, basically regarding the methods, arms, and the protection of personnel. Progress has been made in the preparation of the defense system of large units. Work has been carried out in the construction and preparation of tens of thousands of protection works for the population and workers in the country's territory and economic targets that would continue production and services in times of war. The country's agricultural and livestock production has been structured in this framework. The Armed Forces' fuel reserves have been widely scattered and masked in several separate modules. Speleological formations have been organized for times of war in the provinces and municipalities and those of defense zones are being prepared.

Finally, 9,447 students graduated from the 16 Camilo Cienfuegos vocational and military schools over the period. The enemy will not find us unprepared, disorganized, unarmed, or unaware. What has been done in so short a time is impressive. This demonstrates our people's ability to organize and mobilize. This small country did not let itself be intimidated by the world's most powerful imperialist power and has created the conditions to inflict a shameful defeat to this power should it attack our homeland. [applause]

The tradition created by the lonely Granma fighters germinated when they believed and demonstrated, after Alegria de Pio, that as long as there is a man who wields a rifle and a just idea, war is not lost. [applause]

The "Fatherland or death, we will win" slogan is not an empty phrase. The generations that in the past century initiated and continued our independence would be proud of the people who today defend their flags, ideas, and example. When the history of our time is written, even if we do not have to undergo the hard test of a total battle against an imperialist aggression, these years will remain the most glorious that our homeland has lived through. The very same fact that we did not have to pass this test would show that we succeeded in making the empire think it over. Also, one cannot quickly forget the generosity of the Soviet Union when they quickly responded to our need for arms. [applause]

Therefore, along with heroism, a brilliant page of internationalism was also written. We will continue to strengthen our defense over the next several years at the same pace and with the same energy and determination to make it more solid and inexpungnable. Today we can repeat with more reason, justification, and force than ever that which we said during the first party congress: So long as imperialism exists the party, state, and people will afford defensive services a maximum of their attention.

The Revolutionary Guard will never let its guard down. History eloquently teaches that those who forget this principle do not survive their error. [applause]

The security and internal order forces' tasks are twofold. They must defend the revolutionary process by fighting against the counterrevolutionary activities of imperialism and its agents and by fighting crime. The security agencies continued to increase their reaction capabilities and were able to neutralize enemy activities opportunely and effectively. They gained experience, increased their technical and professional know-how, and strengthened their indissoluble ties with the people who have always afforded them warmth, support, and trust. Throughout more than 25 years the security agencies have always given the best of themselves. Their men have always been willing to make any sacrifice and carry out any mission. No matter how hard it may have been, they took risks, thus establishing a legendary tradition of efficiency and success when confronting the enemy. That tradition continues and will continue to be enriched.

To the extent that the consolidation of the revolution advanced, the Interior Ministry was able to devote more attention to internal order problems and the struggle against crime. In the period we are reviewing a large part of its effort was directed toward this goal.

In the conditions under which we undertook the task to build a socialist society with the world's most powerful imperialist country nearby, we cannot underestimate anti-social behavior, even if it has no political connotations. Meanwhile, the current effort to extend and develop the revolution's moral work and guarantee our people's well-being commits us to a task that includes prevention and the appropriate response to criminal behavior. This responsibility concerns all of society and it is shared by the state institutions and the political and mass organizations.

During these years new experiences have been obtained, heightened, and expanded to counter these kinds of behavior, which range from family maladjustments, simple cases of indisipline, and violation of the rules for social coexistence, to actions that are openly criminal in nature. The essential conclusion is that crime must be fought on the basis of the principle of prevention. This does not exclude rigorous and firm treatment of those cases that require it. The evaluation and correct treatment of these problems have allowed the establishment of a policy to reincorporate into society citizens who have committed minor crimes or those who are first-time offenders who have behaved well enough to deserve this opportunity.

During these years, in placing more attention on economic activities, several symptoms of relaxation and even isolated instances of fraud and mishandling of funds were observed in the retail business network, restaurants, and other service organizations. These were dealt with decisively. The most important experience obtained from the treatment of this situation is that prison terms are not the most effective way of handling the problem or the means that should prevail in the struggle against crime. Administrative tensions when these are appropriate, the strengthening of controls, the discipline and responsibility of government officials and of workers in general, as well as the selection of personnel and the development and expansion of sustained political and ideological work has been undertaken in those sectors.

The Interior Ministry continued its persistent and incessant struggle to reduce the number of traffic accidents that take the lives of and injure citizens and damage the people's property. We must organize, rationalize, make easier, and guarantee the circulation of traffic and the safety of people; prevent and fight fires with the many times heroic and always swift and efficient effort of the men charged with this task; prevent and counter actions and acts of negligence or irresponsibility that harm our economy or damage the people's resources; cooperate with the courts in the application of the law; and afford each home and fellow countryman security and confidence.

Despite rain, insects, hot or cold weather, men whose eyes are always bright as they maintain a permanent watch over the enemy are guarding our coasts day and night. [applause]

The Interior Ministry's activities are not few. It carries out a constant and daily battle. It has the difficult responsibility of reprimanding, of confronting and correcting, day by day, anything that is not consonant with, or falls short of the adequate social behavior. This includes anyone who exceeds speed limits; a pedestrian who crosses a street without following street signals; or anyone who promotes a scandal, steals, or kills -- although fortunately, the crime rate in our country is very low.

For this reason, the conduct of the Interior Ministry's fighters must be spotless, irreproachable, portraying a unique and special clean image, because everywhere, more than citizens, they are symbols of authority, law, moral values, respect for their compatriots, and the values of the socialist state. The enemies of the revolution, the lawbreakers, and the criminals have never hated or will ever hate anyone more than the Interior Ministry fighters. No one will receive more attention or face more calumnies from them. Hence, fully aware of their noble and unselfish role, they must always demand much from themselves. They should fight firmly against any demonstration of personal profit, corruption, vanity, scorn for the people and their values, and anything that could create favorable conditions for envy and for the enemy's destructive calumny.

A good example of the spirit and conduct of the Interior Ministry's men and women was given in recent days, when they decided to deliver to the provincial people's power for the use of the population, health, sports, and recreational facilities that had been built during the 5-year period to cover the institution's needs. [applause]

We are sure that in defending our security and domestic order, our people, party, state institutions, branches of the people's power and mass organizations will support the Interior Ministry in the development of the new tasks that our country's conditions demand from the institution.

The Interior Ministry's men and women will become more and more worthy of the people and party's unlimited confidence, always learning from the inexhaustible encyclopedia of experience, and always showing a higher level of maturity, responsibility, efficiency, while each time linked more to the people as an inseparable part of the people. [applause] [another 30-minute break is announced at this point.]

[Castro resumes speaking at 1957 GMT] In these years, the National Assembly of the People's Power, as the supreme organ of the state, has continued consolidating its prestige and authority in the national and international spheres. Cuba's recent entry into the Latin American Parliament was a great expression of solidarity with our country, a gesture of recognition of and respect for the democratic and popular values of our revolutionary process.

Exchanges of working delegations with many parliaments have been increased and strengthened. There has been increased participation by deputies in debates during National Assembly sessions, with a qualitative improvement of the role that they play, both in the Assembly and in the territories for which they were elected.

Reports rendered by ministries and provincial assemblies have actually promoted a strong mass movement to achieve better results in meeting production plans and in services in general. During the period, important laws were approved, such as the agricultural cooperative law, the labor code, the law on innovations and rationalizations, the public security law, and the general housing law.

As you know, under the housing law, present and future tenants become the owners of the housing units through the conversion of the lease into a long-term purchase agreement with the same payments as were paid in rent, with the exception of a number of housing units linked to particular centers of production and services, which will be handled differently.

Two hundred thousand property deeds have already been handed out under this program. Cuba is the first country to apply legislation of this kind. With it, we fully complied with a principle, since this was a par of the Moncada program. Moreover, the state has renounced any idea of profit from the construction of housing -- in which there is so much abuse in capitalist societies.

The National Assembly has worked on organizing socialist legislation and has improved the work of its permanent working commission. Labor relations between the local organs of the people's power and the state's central administrative organizations have become increasingly closer as they work to achieve their goals. An important role has been played in this by the National Assembly and the office to attend to the local organs of the people's power, which is an agency of the Executive Committee of the Council of Ministers.

The local organs of the people's power have made notable advances in their internal functioning and in the results of their economic efforts. Special attention has been given to the production of exportable items and spare parts, and to economizing in general. There has been positive support for the sugarcane, tobacco and coffee harvests and for the cooperative movement.

The local organs of the people's power have devoted special attention to matters of the country's defense in these past years. Their achievements in this regard have been considerable. They have paid particular attention to problems presented by the people, have increased the number of problems that were resolved satisfactorily, and have provided the right answer to those problems that could not be resolved immediately.

Some 98.7 percent of the electors participated in the 1981 and 1984 electoral processes. An increase in the number of women elected by the local organs of the people's power has been noted. In the assemblies in which the delegates rendered accounts to their electors, and in the elections held during the 5-year period, the massive, enthusiastic, and democratic manner in which our people supervise the processes and support the efforts of the socialist state was clearly demonstrated.

The activity of the judicial organs has been examined by the party and government, in view of the lack of duly qualified, experienced jurists to serve as judges, prosecutors, and lawyers. In 1983 the Politburo examined the status of the training of jurists and the practice of the law. It approved a working program, the application of which -- with the resolute participation of several administrative organizations of the state, the universities and the National Union of Cuban Jurists -- will make it possible to meet the basic demand for such specialists before the end of the 1986-1990 5-year period, and will help to expedite the ongoing process of eliminating the deficiencies in the judicial process and in juridical activities in general.

The reorganization of collective legal offices brought about an improvement in the competence [competicion] of lawyers, with the incorporation into that profession of young jurists who, with a new concept of their role, are helping to improve the quality of legal services to the public.

Finally, it is necessary for the Ministry of Justice, in close cooperation with the People's Supreme Court, to continue to improve the people's courts and, with the participation of the Office of the Attorney General, to complete the overall review of the legislation related to the judicial system, in order to more precisely define the functions of each of these institutions.

The effort made, the success achieved, the feats that take place daily, and the projections for the future could never be possible without the close unity between our party and the people.

In that unity, with their voluntary and conscious adherence to the party, with their support, their steady work in the factories, in the agricultural, construction, transportation fields, schools, hospitals, universities, in the defense of our homeland and internationalist missions, in the renewed and constant alertness as an eternal fire, wherever our homeland vibrates, the mass organizations are present, and more than present, omnipresent. Nothing would be possible without them. For this reason, we must summarize their work before the party congress, even if it is a short summary due to the time factor.

The labor union movement, which includes 99.5 percent of the total labor force of nearly 3 million among its ranks, managed to become closer to its rank and file, improved the structure, improved its style and method of work, and demonstrated its prestige and authority before the masses.

The labor unions have rendered important services to the revolution in these years. They actively participated in preparing for defense in all work centers of the nation. Over 40,000 greeted National Defense Day and announced they had complied with their commitments. The labor union movement contributed nearly 100 million pesos to finance the Territorial Troops Militia.

During the 5-year period, the labor unions definitely contributed to increasing the efficiency of the economic activities and to the achievements in the economic and social development, making efforts which many times bordered on the heroic.

They also contributed definitely to saving energy resources, raw materials, additional materials, and other resources. The results total several hundred million pesos throughout 1983, 1984, and 1985. They also contributed very much to the important program of manufacturing and production of spare parts.

The National Association of Innovators and Efficiency Experts [ANIR], which has 73,000 members and 6,165 rank and file committees, contributed to solving important problems of our economy. The mobilization of the most productive volunteer cane cutters and the level of organization reached by the brigade during the 5-year period increased the productivity of each cane cutter from 244 arrobas daily in 1981 to 333 during the last harvest, which enabled us to decrease the mobilization by several tens of thousands of men.

The labor unions actively cooperated in bringing in the permanent brigades in the sugar and agricultural sectors, and integrated brigades in industries. Currently, they are trying to extend and improve this new form of organizing work.

In the field of labor legislation, 90,000 cadres were trained annually. Over 1 million workers graduated from the various systems of education, and over 800,000 are studying. Over 670,000 graduated from the 9th grade during this 5-year term.

A total of 100,000 workers are amateurs participating in cultural activities and approximately 1 million have participated in sports events.

The CTC [Central Organization of Cuban Trade Unions], whose expenses had increased, did a better job of collecting, increased its revenue, and managed to adhere to its prestigious tradition of self-financing all of its expenses. Thousands of workers received decorations, medals, and distinctions for their exceptional merits in production and services, andover 40 of them have the honor of being awarded the title of Heroes of Workers of the Republic of Cuba.

The 10th World Trade Union Congress held in our country in 1982 and the Latin American and Caribbean Workers Trade Union Conference that discussed the crucial problem of the foreign debt constituted the most important events with international repercussions. The prestige of the CTC among the international organization of workers has increased considerably.

With an adequate rate and with moderate but solid steps, the National Association of Small Farmers [ANAP] is carrying out the most important historical task ever entrusted by the party in this stage of the construction of socialism in our country.

That task is the development of the cooperative movement -- in other words, the development of our small individual farms into superior, scientific, and highly productive methods of exploiting the land. Progress is evident in the fact that although it has only been a few years since this movement began, the number of Agricultural-Livestock Cooperatives [CPA] amounted to 1,378 in 1985, covering 75,168.4 caballerias of land, equivalent to 1,072,055.5 hectares, which thus increases to 61.3 percent the land being tilled by the workers, who eliminated the system of parcels and went on to higher levels of production.

During the current 5-year term, the cooperatives increased their average size from 220.7 hectares to 792 hectares. The trend to form very large cooperatives must be avoided, in view of the fact that there are not enough cadres among the peasants who are experts and leaders, and these cannot be trained in a day. ANAP has worked in training the CPA presidents and other leadership cadres, a task which must be supported and promoted.

In order to take care of social problems, the cooperatives have built 19,156 housing units of various types, most of them with top quality materials and products. A total of 822 cooperatives have been connected to the national energy system or to independent plants in order to provide them with electricity in this 5-year term. It is good policy not to hasten things, to advance gradually, consolidate achievements, and hold fast to the principle of very strict volunteer spirit. There are 86 cooperatives striving to produce 100,000 quintals per year of food, vegetables, and grains, and 14 of them have already reached that figure. One of them, the Aniceto Perez from Havana Province, produced over 300,000 quintals in 1985.

Many cooperatives have had excellent results, making better use of the land and the technical, material, and human resources. The families, and particularly the women and children, have received the benefits of a more humane life, less isolated, and with possibilities of receiving services that would not be within the reach of the isolated peasant.

We must pay special attention to the production cooperatives that engage in the production of coffee and cacao, in the mountains, where the topographic characteristics of those remote areas make their activities more complex.

The social security law issued on 28 August 1979 has already benefited 29,500 cooperative peasants. The peasant organizations have proclaimed that they have fulfilled their commitment in the battle for the 9th grade, they have developed study circles, and they have carried out many cultural and political activities. The peasant sector has devoted its enthusiastic and firm support to the MTT, to its financing, and to creating and preparing the areas of defense.

Encouraged by the progress made since the victory of our liberation struggle and in view of the success of its current efforts and always a firm ally of the working class along with the rest of the working people, the Cuban peasants will fulfill with honor the new tasks assigned by the party and the revolution, as they are loyal to their glorious mambisa [Cuban separatists in 1868] traditions.

The Federation of Cuban Women [FMC] has continued increasing its ranks and it has a membership of 3,100,000, representing 30 percent of the women in the country, which means there is a large sector of women incorporated into the revolution.

The quality of work has continued improving also. Evidence of this is the Fourth FMC Congress, which showed the solid nature of that organization as well as the thorough and critical manner in which the FMC has handled the problems that are still hindering full equality for women. Progress was made in this aspect during the 5-year term. Women currently represent 37.3 percent of the country's active labor force in the civilian state sector, as compared to 32.4 percent in 1980. Women represent 55.4 percent of the technical forces. In other words, half of the superior technical professionals are women.

The proportion of women in leadership positions has increased, although moderately. Women represent 13.8 percent of the party's cadres. This figure is lower in the executive bureaus of the municipalities and provinces. In a similar fashion, there has been fair progress made in promoting women to responsibilities within the state, the administration, and the local organizations of people's power.

In the forthcoming years, we must continue struggling hard to enforce the party's policy for the complete liberation of women. This will require a constant endeavor for the creation of material conditions that will be more favorable for this purpose, and it particularly demands maintaining an effective ideological effort, mainly an educational effort, and an unyielding struggle in the face of the prejudices and the discriminatory attitudes that are still hindering women from making use of their full potential in the home as well as in the labor and social life.

We must continue increasing the participation of women in positions of responsibility and leadership to a level commensurate with their capabilities, experience, revolutionary knowledge, and the convictions which they have displayed.

This struggle, as well as all efforts for women's equality, is a task that concerns our entire society: the party, the UJC [Union of Young Communists], the FMC, the other trade unions, and the mass and student organizations, as well as state organizations.

Throughout these years, the FMC has favorably fulfilled its various tasks that should emphasize the efforts made in order to incorporate the housewives in the battle for the 9th grade: 99,392 companeras have graduated and 18,048 are now studying. The FMC has continued giving multilateral support to the school tasks, and over 1.5 million women have joined the Movement of Fighting Mothers for Education.

In the field of public health, their outstanding contribution is reflected -- among other things -- in carrying out over 2 million cytological tests during the 5-year term, the tetanus vaccination of the housewives, and the effective task carried out by the 58,000 health brigade workers. The FMC carried out the systematic work of mobilization in the defense tasks. A total of 1.8 million FMC members voiced their willingness to join the MTT.

Our possibilities for armament and organization enabled us to incorporate in an effective manner over 500,000 women. Meanwhile, over 20,000 companeras were trained as command cadres. Thousands of Cuban women have fulfilled and are fulfilling excellent internationalist missions. An example of the international prestige of the FMC, its close ties of work, and its organizational capabilities is the Meeting on the Situation of Women Today in Latin America and the Caribbean that was held here with approximately 300 participants from the area.

The intense activity carried out by the Cuban delegation that attended the UN World Conference of the Decade of Women held in Nairobi along with the other progressive and revolutionary forces helped to combat imperialism from the United States, which sought to discredit the analysis and evaluation of the basic problems that restricted the participation of women in the economic, political, social, and cultural life of each country. They also played a decisive role in the presence and unity of the Latin American and Caribbean representation in that event.

The participation of Cuban women in each and every task ordered by the revolution and the party in these years is worthy of admiration and recognition.

The Committees for the Defense of the Revolution [CDR] currently have 6,537,000 members, which represents 83.9 percent of the population over 14 years old. In the last 5-year period, membership increased by 1,214,000 [hesitates] membership increased by incorporating the youths who reached the minimum age. The Second CDR Congress held in 1981 outlined specific goals in its many work forms, particularly in order to strengthen its basic task, which is revolutionary surveillance.

The organization worked in order to fulfill its agreements and contribute, in the first place, to the struggle of all the people to prevent, detect, and fight criminal and antisocial behavior. Some progress has been made to this effect, but it is necessary to increase even more the surveillance tasks and make sure that the goals are reached in order to achieve a greater efficiency in the development of this activity, which has been an extraordinary instrument in the defense of the achievements and the tranquillity of our people.

The CDR continued carrying out important political and ideological tasks, including the mobilization of the masses to support the local organizations of people's power, particularly participating in the meetings where the reports are presented and in preparing and carrying out elections that are held in the electoral districts.

Blood donations amounted to 1,134,936 in the 5-year period. The systematic fulfillment of this task as of 1982 has facilitated the production of hemo-derivatives and interferon and work is under way to respond suitably to the country's needs by the year 2000.

Another important form of support for the health tasks has been the work carried out by the CDR in educating the masses in the area of sanitation at their popular meetings as well as actively participating in the campaigns against the epidemics of dengue, conjunctivitis, gastroenteritis, and other diseases.

During this 5-year period, 3,906,753 vaccinations were given to the country's children.

The CDR have supported the economic strategy outlined by the party and government directorate with an outstanding effort to save and conserve raw materials. There are vast possibilities to continue increasing these valuable contributions by the CDR.

The CDR advanced in the tasks connected with partiotic-military education and did outstanding work supporting the creation of the defense zone and outlining the measures for the evacuation of the people.

Also decisive was their contribution to the preparation, organization, and mobilization of all the people in making the various zone-municipalities ready for defense.

The CDR will begin preparing their third congress shortly. The Assembly process, beginning among the rank and file, will provide a manificent chance to further advance the implementation of the organization's cadre policy and to incorporate more women and young people into the directive posts. The party will provide all its support and control to this policy. The agreements adopted at that event will undoubtedly contribute to the continuity and improvement of the CDR's meritorious work.

In placing a high value on the work carried out by this organization in recent years, the party reaffirms its confidence in the CDR's many possibilities for mobilization as well as in their enthusiasm and immense energy. As until now, they will continue to be, among our people, not only hardened defenders, but also industrious and tireless artisans in the work of the revolution.

The ranks of the Federation of University Students [FEU] and of the Federation of Intermediate Level Students [FEEM] today comprise more than 459,000 students. They represent the beautiful and promising fruit of the revolution's efforts and are the best guarantee of its advance in the future.

During these years, the FEEM and the FEU have intensified their efforts to eradicate attitudes marked by conformism and finality, and have stepped up the struggle against superficiality in study and for the systematic use of textbooks.

The processes developed at the second FEU Congress and the Sixth FEEM Congress have bolstered their activities and prestige. Both student organizations have continued giving priority attention to the link between study and work. Their role as representatives of the students' concerns and interests has been heightened.

During this period, the working methods of both the FEU and the FEEM were both bolstered and simplified. The increasing consolidation of the role of the organizations at the levels of classrooms and brigades continues to be an important goal.

Both the FEU and the FEEM have given special attention to the tasks in support of the health area. Outstanding among these was the formation of the Carlos J. Finlay Medical Sciences Detachment in the ranks of which more than 18,000 future doctors are currently training, the creation of the Commander (Piti) Fajardo Medical Detachment for Rural Service, the incorporation of students of this specialty to internationalist tasks, and the support given to the revolutionary family doctor program.

The work carried out among the medical science students represented an important contribution to the goal of perfecting as much as possible the training of the future medical and paramedical personnel.

Attention has continued to be given to the incorporation of young people into the University's Manuel Ascunce Domenech Pedagogical Detachment where priority is given to mathematics, chemistry, and physics, as well as to selection from among its members of the youths who comprise the Ernesto Che Guevara Internationalist Detachment.

Last year's national meeting of technical science students gave valuable support to the decision of party and state to bolster these areas as the strategic bases for the country's economic development.

Important changes were introduced in student emulation, mainly aimed at accelerating the struggle for quality in education while eliminating anything in it that might encourage self-promotion. However, it is essential to be more demanding in evaluating all emulation rates and to rid the analyses of schematic and superficial elements.

The quality and existence of incentives have been guaranteed, even though at times the student does not receive them at the right moment, or in the right fashion in order to feel the recognition and tribute that their granting implies.

In recent years an important part of the activities of both the FEEM and the FEU has included attention to the formal education and social conduct of the students, as well as the struggle against any form of academic fraud. However, we cannot yet be satisfied with what has been achieved in these areas. In the future it will be necessary to promote much more demanding, tenacious, and effective work in order to eliminate the harmful phenomena that still influence the young generation's moral and revolutionary formation.

Each year during the vacation period, students comprised student work brigades, mobilization plans were established in accordance with the real needs of the economy, and the level of social recognition deserved by this activity was raised. Particular emphasis must be placed on the mobilizations of the FAR units due to their political importance, and as a guideline in materializing the students' participation in the defense tasks.

The student organizations favored the preparation of youths for defense and their contribution to the financing of the MTT. Through their organization, 14-and 15-year old students demanded incorporation into this force.

In a general sense, our students have reaffirmed the decision to defend the homeland as well as the achievements made by socialism and to offer their internationalist contribution whenever necessary. Work has been carried out -- and this will be insisted on in the future -- to turn the young generation into the standard bearer of economization and to train our students in the mentality of producers.

It was precisely at the closing of the Sixth FEEM Congress that we made an appeal to young people to be the standard bearers of the year 2000 in building socialism in our homeland. No one can be harbingers of the boldest ideas, the forgers of their own future, and the defenders of the work that our generation has handed over to them as well as they can.

Nearing its first quarter of a century, the Jose Marti Organization of Pioneers [OPJM] has 1,722,603 members in its ranks. This represents 99.5 percent of all the students enrolled in primary and secondary schools. Thousands of party militants and all the members of the UJC today proudly remember their Pioneer years.

During this last 5-year period, the organization carried out a substantial transformation of its functioning mechanisms and managed to make its various activities more vital and attractive. The tasks in support of the teaching-educational process were attended to through better organization of emulation and the development of activities intended to raise the level of responsibility of the Pioneers vis-a-vis studying. Our Pioneers' work, with their support and participation in various productive tasks, also stood out, as well as a greater dynamism and effectiveness with regard to the emulation established to that end.

They also made an enthusiastic and beautiful contribution to the defense tasks and carried out multiple patriotic activities, which instill in them the purest feelings and ideals of socialism. In addition, despite the limited available resources, advances continued to be made in development of the material basis for work with the Pioneers. Today we have 345 Pioneer installations that can receive over 1 million children each year. This has contributed positively to their development. The OPJM's increasing role and prestige result from the permanent attention given to it by the party, the UJC, and the daily work of thousands of guides, teachers, and society in general.

The experiences gained in this area put us in a better position to continue advancing in the coming years. In the future, a struggle should be waged to continue improving work style and methods. The work involving children and adolescents must be more attractive and have more substantial contents every day. It must be of higher quality, and it will be geared toward enabling the Pioneers to value their culture, develop initiative, practice discipline conscientiously, behave well, be honest, be brave, and realize that their main task is to study well and get good grades. Today's Pioneers are the guarantee of the future and the certain replacement of our heroic youth.

The UJC has continued intensifying its presence and work in various sectors of the national life. During the period that has elapsed since the second congress was held, the UJC has increased its ranks by more than 175,000 members. Total figures reach 597,853, including militants and aspirants. This increase came about alongside a marked increase in the demands connected with the requirements for admittance, especially in the student sector. In becoming a member of the UJC, self-rigor is now the only factor regulating growth. The youths connected with production, education, and services represent 59 percent of the total number, students total 20 percent, and the workers comprise 26 percent. [all figures as heard]

The functioning of the rank and file organizations and directive bodies has been bolstered. Another positive measure entailed the simplification of the methods and mechanisms for the control and orientation of tasks. This makes it possible to dedicate more time to direct contacts with militants, youths, and Pioneers; to improve the quality of the work carried out by the rank and file organizations; and to struggle to rid their meetings of schematic aspects, at times prescheduled by the higher organizations.

It is necessary to continue insisting on the need to direct the attention of the UJC toward the main problems at each center, the education of its militants, and the political-ideological work with the mass of youths, while increasingly giving to the organization's activities a dynamic nature that is appropriately youthful.

In training the Communist youths as future party militants, greater demands are now made before granting endorsement, in line with the view that this is not merely a possibility for all those who fulfill their duties, but a recognition for those who march in the vanguard within the organization.

The UJC has accorded special importance to its cadre policy. The promotion of younger comrades to the leadership tasks in the UJC has made it possible to suitably stagger its leaders' ages in the various bodies, and has provided greater stability to its leadership bodies. Also, the social composition has improved, as well as the presence of women in the leadership bodies and among the professional cadres. Women in the leadership posts and cadres went from 14.3 percent in 1980 to 19.5 percent in 1985. This rate is still low, if we consider that girls constitute 41 percent of the total membership of the organization.

The decision to process the principal leaders of the UJC's rank and file organizations -- which are important work centers -- and the directive cadres for admission into the party is of special value. Similarly, the inclusion of the first secretaries of the UJC in the executive bureaus of the party's municipal and provincial bureaus has represented a notable incentive for the youths' cadre work, as well as an expansion of the party's relations with and influence on that youth organization.

During this 5-year period, hundreds of UJC cadres went on to assume responsibilities within the party and the state, as well as other important tasks. Youth as a source of cadres is a valuable reserve for the party.

However, there is, in our view, a very important principle: No one should be born a leader. To put it more appropriately: No one should be a leader from the time he is a Pioneer until he is assigned a responsibility as a party cadre. If it is deemed suitable for university professors to pass through production, and for production specialists to be able to teach a class sometime, or for party school professors to serve as cadres for some time so they can get to know the practical reality, it is highly convenient for the youth cadres to pass through or to have passed at some point through direct participation in the field of production or the services before they are promoted to important party responsibilities. No textbook or academy can replace the experience gained there, where a rank and file man works and struggles. There can be no better chief than he who at some point, or somehow has been a soldier. [applause]

During these years, with their enthusiastic and tenacious work, the UJC has strengthened its role as vanguard of the Cuban youth and as an active party auxiliary in the field of education and the communist formation of the new generations. The UJC's activities have projected even more toward the youthful masses and it has obtained the participation of both youths and children in several political, patriotic, recreational, and cultural activities. The organization has continued expanding its mass cultural work, the attention given to the groups of young artists, the promotion of sports, and the development of new options for the use of spare time. Outstanding in this area is the support given by the UJC to the popular camping movement.

The activity carried out by the Patriotic-Military Education Association, SEPMI, is of great importance for the work in support of defense and the patriotic-military education of the new generations. Under an agreement reached by the secretariat of the party's central committee SEPMI is now under the UJC direction. In addition to improving its structures, SEPMI defines its objectives and purposes better develops a vast activity in promoting technical-military sports, especially marksmanship, attends to the military discussion groups, cooperates actively in the training of lesser-rank specialists for FAR, and organizes many other patriotic-military activities through the rank and file clubs.

Cuba's youth has continued making an important contribution to the country's economic development. The technical youth brigades have grown and today comprise over 300,000 members. The shock-works [obras de choque] movement includes 22 important investments in which over 17,000 youths work, representing 52 percent of the total number of workers. A total of 19 shock-works were completed, and they were characterized by broad youth participation. During this 5-year period the movement of youthful economic initiatives emerged, which has turned into a permanent means of encouraging volunteer work and channeling the youths' potential in terms of production and services.

The UJC has continued to perfect its mechanisms for attending to the FEEM and the FEU to bolster its authority and the capacity for mobilization of the student masses. In the future, that work must become more effective, in accordance with the lofty purposes that our country has outlined in that area.

As part of the effort to expand and improve political and ideological work among the masses of youth and children, the publication of newspapers, magazines, and books for this sector of the population has continued to develop. In the next few years, the struggle must be continued to achieve increasingly higher quality in this task.

Cuban youth carried out multiple activities to salute the 12th World Festival of Youth and Students. A rigorous mass process was conducted, which culminated with the selection of the Cuban delegation, comprised of 1,300 youths, worthy ambassadors of our homeland at the grand meeting of youth from all over the world.

The Cuban youth organizations called a meeting of Latin American and Caribbean youth and students on the foreign debt, which met with broad acceptance. Over 300 organizations and 600 participants from 35 countries turned this event into the broadest and most representative of the hemisphere's youthful forces. This dialogue and the activity carried out at the 12th festival helped the foreign debt issue gain importance within the Latin American youth movement's activities.

The new generation is aware of the role it must play regarding study, production, and defense. Our party expresses its firm conviction that the young workers, peasants, students, scientists, specialists, service employees, Armed Forces and Interior Ministry combatants, all of them, are members of our country's new generation; they will be worthy standard bearers of the spirit of heroism and victory in which our revolution has educated them.

We must now talk about the party, our hardened vanguard. Today the party comprises 523,639 militants and aspirants. Its rank-and-file organizations total 38,168. During this 5-year period, our party's ranks swelled by 92,779 militants. The highest standards were always present.

Of the party members, 43.2 percent are workers directly linked to production and service. If those who are working as teachers, professors, engineers, doctors, architects, and other professionals and technicians were added to them, this category would increase to nearly 60 percent of the total.

The revenue from the UJC that constituted 22 percent of the total in 1980 increased in 1985 to 37.8, to 57.8. [sentence as heard] In the next 5-year term the UJC must contribute approximately 70 percent of the new revenue to the party. Women's representation in the party ranks increased from 18.8 in 1980 to 21.5 percent in 1985.

Party punishments have met their educational goals, while preserving the purity of the party ranks. Work has been done so that the masses will know that the party does not permit behavior unworthy of its members. When deficiencies have a certain political repercussion, the labor group or the residence area of the militant or candidate member must be notified of the penalties.

There have been many efforts to increase the use of criticism and self-criticism. One frequently still finds militants, who even had leadership responsibilities, who understand criticism and self-criticism in a strictly theoretical way, totally disconnected from the specific practice of their own actions, but linked to the defects of others, not to their own defects. Such attitudes must be strongly and courageously fought, based on principles and always with a constructive and educational spirit.

After the second congress, we changed the structures of the municipal committees, parting from the principle that the main task of these organizations is attention to the rank and file organizations and their adequate operation. Thus, as part of his work, an instructor became a teacher and a guide for the work of the rank and file organizations.

In spite of the unquestionable results achieved with this innovation, which can be observed in the role and growing influence of the rank and file organizations, there is still a need for greater and better work of the corresponding organizations, and particularly the executive bureau of each municipal committee in the orientation and direction of these professional instructors of the rank and file, and the professional cadres at the work centers.

Along with these changes, we implemented the creation of permanent commissions in the municipal committees in order to carry out studies and follow the development of certain important activities.

The periodic evaluation of their work has shown that they are excellent helpers of the party's organizations at that level. The internal information of the party moved forward during that period of time as a result of the search for new formulas. Progress was also made in issuing bulletins and authorizing other means of information to lower echelons, although there are still some deficiencies and a lack of the necessary agility in order for the rank and file to receive all that useful information on the political and ideological work corresponding to them.

The open meetings, to which the party invites nonmember workers to analyze problems of general interest to work centers, were a positive experience that enriched the evaluation of party matters and brought the party closer to the masses.

The council of secretaries in enterprises or unions, whose establishments go beyond the framework of the municipality or the province, have had positive results. The work done by the assembly to analyze the work carried out prior to the third congress achieved positive results in comparison with previous efforts to direct the party's attention toward the basic problems of each work center, of each territory, setting aside secondary matters and formalities that many times distract the cadres and militants.

The problems of economy, the tasks of defense, ideology, health, education -- those issues of a permanent importance and priority -- principally occupied the attention of the assembly at the various levels, and its agreements were a consistent answer to the problems that were presented.

The preparation and contents of the meetings of the rank and file party organizations have improved considerably. During this period, the process to grant the title of party founder was carried out. This honor was bestowed on 18,197 militants who had accumulated the necessary merits.

The party has been in the midst of all the efforts carried out in recent years to prepare for and strengthen the defense of the country. Its effort has been decisive in creating and organizing the MTT and the defense areas, as well as in other activities that considerably increased the defensive potential of our fatherland.

The military preparation of the cadres has received all the necessary attention. The party prepared the adequate structures and forms that would be adopted if an imperialist aggression were to take place against our fatherland; those include measures that would be adopted under the most difficult circumstances.

Certain advances can be observed in the cadre policy, but they are insufficient to solve the problems discussed by the second congress. A more integral analysis of the work carried out with the cadres by the party itself, the state institutions, the UJC, and the mass organizations has been in process. It has thus been possible to delve more deeply into an evaluation of the conditions and possibilities of the comrades who have been proposed to hold directive posts, into the formation of cadre reserves, the evaluation of leaders, and the manner in which the policy of including women and young people in the directive posts is being fulfilled so as to get women to participate more and young people to gradually move up to higher positions, thus guaranteeing that they will replace those now in the leadership.

The mechanisms guaranteeing the correct selection, stability, and promotion of the cadres must be increasingly improved on the basis of an in-depth, critical, objective, and systematic evaluation and suitable attention to their development and preparation.

Suitable female representation must be guaranteed, in accordance with the women's participation and important contribution to the construction of socialism in our country, as well as the presence of the increasing reserve of youths and promising units who have been born and forged under the revolution.

Our people's ethnic composition, added to the revolutionary merit and proven talent of many countrymen who in the past were discriminated against because of the color of their skin, must be duly represented in the party's leading cadres.

This promotion of all the components and valuable units of our society and their integration into the party and its directorate cannot be left to chance.

During these years, the schools of the party, the UJC, and the mass organizations obtained a favorable balance in the political-ideological education of directive and rank-and-file cadres. The quality of the work was improved and the qualifications for teachers were raised. A large part of the party's professional cadres have participated in courses in the Nico Lopez school, in the party's provincial schools, and abroad. The contents of the courses must be perfected so they will contribute to a more effective preparation of the cadres in confronting the tasks assigned to them, and in perfecting their connection with practical work. The generalization of the experience in which the teachers work during some period as party cadres will no doubt contribute to this purpose.

The centers for political-ideological training graduated 401,676 students during this 5-year period. Alongside their current activity they offered courses to the leaders of the rank-and file organizations to help them organize their practical tasks more efficiently.

The Council of State's approval in 1984 of Decree Law 82 on the work system with the state cadres, and the implementation of an immediate plan for putting it into effect, created the conditions for the party to give all the attention that the cadre policy of the state, the administration, and the enterprises require. The cadre policy will be a priority task of the party after this congress.

The educational level of militants and aspirants continues to increase, with 72.4 percent of the members having completed the ninth grade or higher levels. This favorable situation will make it possible in the next few years to concentrate attention on raising their technical and professional training.

During this 5-year period the party has made a great effort to modernize its printing base in order to guarantee high quality in the printing of newspapers, magazines, books, posters, and other informational and political material. The program for remodeling the press is already becoming a reality. For this we have had the valuable cooperation of the CPSU. New graphic units have been built and equipped in Camaguey, Las Tunas, Granma, Guantanamo, and Isle of Youth, which are at the stage of stabilizing production. In the next 5 years, remodeling will be completed in the remaining provinces.

During the 1981-85 period, work began on decentralizing the printing of national newspapers. The initial results are already in, with the construction and recent setting in motion of the productive area of newspaper plants in Havana and Holguin. With these two important plants, which use the advanced offset technology, appreciable improvement of the quality of the printing of the newspapers GRANMA, JUVENTUD REBELDE, TRABAJADORES, TRIBUNA, and AHORA will be achieved.

To this we must add the introduction, after the second half of 1986, of a system that entails the facsimile transmission of the pages of the newspapers of Havana to Holguin through a coaxial cable. With a difference of only 1 minute, it will be possible to print the national newspapers in both places. This process will be concluded during the 1986-90 period when similar installations will be set in motion in Santiago de Cuba, Villa Clara, and Camaguey. This will considerably facilitate the distribution of the national papers, which at present are taken from the capital to the rest of the country. It will make it possible to have more up-to-date information and to satisfy the increasing demands from the provinces and the entire country.

I think that the first edition of GRANMA already began circulating today. It has much better paper, better pictures. I do not know if it is only for one day, now, [laughter] or whether that will continue, but at least one can see they have made an effort.

If we confirm what is stated here, that they have put the production areas to work, now we will be able to see this; what is bad is that those of us who are getting a little older show our gray hair in photographs. [laughter] I have seen some pictures that are almost entirely white; actually, the impression quality was very poor. I believe that this is a major step forward. I wonder whether they could enlarge the letter size, because at times the print is so small that people forget that the country's average life expectancy; well, it increases, too [laughter] thanks to improvements in public health. [sentence as heard]

I believe that this is really good news; it is good to be able to speak of and verify in this congress the great improvement of our press; that we will be able to print more copies, will not need to transport them by plane; we will save all those expenditures; that the newspapers will be published simultaneously in Havana as well as in Santiago, Holguin, and the rest of the country. I believe this constitutes a great improvement.

Beginning in 1986, the Frederich Engels printing press will be remodeled. This will bring a qualitative change in the publication of the BOHEMIA, MUJERES, MUCHACHAS, and VERDE OLIVO magazines, and all written publications of the party, the UJC, and mass organizations. This is being done with the help of the Socialist Unity Party of Germany [SED]. People do not realize how important it is to have friends. [applause]

The work of the party's control and review committees, although not trouble-free, has characterized itself by the depth of its appraisals, the humanity of its evaluations, criticism and demand in methodology, a zeal to help preserve authority and the party's purity, and its desire to correct errors.

We have verified the progressive improvement in party discipline and the rigor and depth of appraisals in grassroot and party organizations in regard to their decisions in the application of party disciplinary measures, revenue processes, finances, administration, and the control of assigned goods.

The party's control and review committees try to help ensure that complaints and reports on deficiencies, shortages, or incorrect behavior are appropriately heeded; that measures are taken, and that help is extended to those who need it. They also work to prevent any kind of attempt to dampen the critical spirit that should characterize the behavior of revolutionaries.

In the coming years, the control and review committees will continue to broaden their duties and improve their work in order to contribute decisively in the development of the party's internal democracy, discipline, the critical and self-critical spirit, and the general political work of its agencies and organizations.

The Central Committee will continue to pay special attention to complaints, claims, and requests of the citizens, because it believes that this activity constitutes an important means to link the party to the masses. The time elapsed was characterized in general terms by a profound search and application of new forms of party work that made possible the progress achieved.

During that period, it also helped the party decrease any duplication of duties corresponding to other institutions. This will allow it to be in an increasingly better position to carry out its role as a genuine educator, organizer, and mass leader within the core of Cuban society, and to demand that each institution fulfill its duties.

It has fought, with encouraging results, against all expressions of bureaucracy, conforming superficiality, formalisms, routines, and other inclinations foreign to the party's life and activity. Throughout the tense struggle of these years, the party has continued to be the great leadership and unifying force of our society and as the par excellence representative of authority, morale, and the principles of the watchful conscience of the revolution.

In conducting this third congress with honor, the party has not only presided over the entire effort for the material and spiritual transformation of the country, but has continued to transform and perfect itself. In so doing, it has complied with dignity with its responsibility of always setting the example in matters of organization, exigency, and improvement, in discipline, revolutionary austerity, an inclination to sacrifice, and in a close and permanent relationship with all the people.

We can say with profound satisfaction that the PCC arrives at its third congress much stronger, more unified, and better organized than ever; it is more and more deeply rooted in the heart of the working class and the other popular masses. [applause]

One fundamental ideological task for the party is that the people's political awareness should produce unbending loyalty to the principles of socialism and unbreakable moral integrity. We must be determined to cease existing before we cease being revolutionary. This legacy must be constantly renewed from one generation of Cubans to the next.

In this region of the world where the Cuban nation was born, the slightest hesitation would have irreversible results. Our trust in the future is based on socialism's proven ability to generate qualities in a society such as passion for creative work, a spirit of solidarity among human beings, the purest patriotism, and a most reliable internationalism. This is the basis of the moral work of the revolution. The humanism of Cuban society represents a solid shield in the face of the merciless, brutal egoism of capitalist society.

During the past 5-year period, special attention in the ideological sector was given to educating workers in economics and preparing the country to face, resist, and defeat any imperialist aggression. The most important economic, productive, and savings tasks have been promoted with an emphasis on a higher education level. This has helped improve the efficacy of educational work.

Matters of continuous importance and significance such as the communist formation of new generations, publicizing the Cuban people's struggle tradition, the putridness and crisis of capitalist society, the great possibilities of our system, and education in the principles and norms of socialist legality, among other issues, were some of our revolutionary proclamations during the past 5-year period. Solidarity with liberation and popular causes, and brotherhood with the people of the socialist community also drew the attention of the Cuban news media.

The battles waged at the Nonaligned Movement forum, in the United Nations, at the events held in Havana to discuss the foreign debt, in the Latin American Parliament, and through the international news media to promote the only true alternative to the world's social and economic crisis; to promote the progress and well-being of the underdeveloped people; to stop the suicidal, massive, exterminative arms race; and to promote peace had an important impact on our people. These battles improved the political culture of the masses who studied in greater depth these problems vital for the future of mankind.

The party's political publishing house alone published more than 60 million papers [ejemplares] and 746 books [titulos], including 15 speeches and interviews with the party's first secretary concerning Cuba's position on the debt and other matters of political and historic interest.

The newspaper GRANMA fully and seriously informed and oriented the people and increased its influence and prestige. The provincial newspapers made advances in complying with their specific functions. Most have enlarged themselves as an alternative for the readers.

Cuba already has one of the highest rates of newspaper readers in the Third World. There was an annual distribution of approximately 400 million nationwide newspapers, more than 90 million provincial newspapers, 72 million CDR newspapers, and 13 million foreign newspapers, or publications. As we have said before, we are working rapidly and with excellent material and technical assistance to support this activity. In many cases we have been unable to go beyond descriptive work in making the achievements of the revolution known. Despite the media's efforts to publicize new work and the advances made, it is still notorious that there is a lack of analyses to stress the social and informative function of the news media.

Frequently, there is an erroneous interpretation of what criticism of the administrative and economic work should contain. There are isolated remarks, and criticism is being viewed as just one more news category. Many efforts in this direction are made hastily and are not part of an integral reporting effort that should include both achievements and deficiencies.

The goal is not to criticize. The goal is the application, based on principles, of a method to interpret the true situation as a whole and to promote collective work in order to correct and overcome defects.

It is evident that there is no specialization on economic matters among many of our journalists. In a state of workers such as ours criticism of deficiencies or errors in the economic or administrative effort is not aimed at destroying anyone or at weakening the people's trust in the revolution but at confronting the cadres sense of honor, at educating the people, and at showing them the way to rectification.

When a report deals with problems resulting from objective factors, our media has the obligation to inform the people and to give them all of the elements of judgement so that they may understand the causes of the problem.

To attack only the consequences is not only counterproductive, it tends to misguide and confuse. To this we must add the fact that except for the sessions of the National Assembly -- the broadcast of which is an invaluable orientation for similar activities at the local level, and even for the higher leadership of the party and of the state -- many times, we omit things, and we do not favor the understanding of problems affecting the country, thus renewing the conviction that they [as heard] are the object of the anonymous and untiring work of thousands of cadres.

Likewise, many officials and administrators do not channel the efforts of the reporters or the contacts with them. They refuse to provide unclassified information, they self-appoint themselves as censors and adopt certain justifications, or do not even acknowledge the question that concerns them On the other hand, there is the case of a reporter who obtains information about programs or plans that are being analyzed or prepared, and then passes it on to the public as if these decisions had already been adopted, without giving any indication that these were ideas that were part of a project.

Many times I have found out about great plans in this manner, reading about them in the newspaper. Then they turn out to be ideas that are being prepared; they are technical views; experts are studying them; and I have seen them report them many times as if they had already been adopted. This has happened on several occasions, and it happened recently. We already read about the projected forestry plan up to the year 2000. This is something that is only being planned now, it is being discussed, analyzed, and sometimes an expert is even quoted.

Honestly, this has happened many times and should not occur; otherwise, they are going to lose credibility before the population. When they announce that the plan has been approved, it is merely being studied. One can provide certain ideas, the idea that it is being studied, but it should be explained what it is about.

We must continue to make efforts to improve the quality and professional level of our press in order to respond to the expectations and the increasing and varied interest of readers. This objective should be a journalistic practice characterized by the truth of the reporter's views and opinions, his thoroughness, and his ability to make his writings entertaining. The Union of Cuban Journalists plays an important role in this.

The National Radio Broadcasting and Television system received, during the period, a remarkable boost. We have 5 national radio networks, 17 provincial networks, and 30 territorial networks. Although the so-called areas in silence [zonas de silencio] have not been completely eradicated, the area of coverage was expanded considerably. The general reinforcement of the programming of the country's radio stations, including Radio Havana Cuba, the precision of their message [perfil], and various technical improvements, are part of a strengthening process that is still under way.

We must spread the implementation of positive experiences in the search for a more dynamic and modern radio language.

National television stabilized its structure in two channels with messages [perfiles] that are clearly different. Morning transmissions were begun, summer programming was extended, and new specials were offered at various times of the years.

Regarding news broadcasting, Tele-Rebelde correspondent offices were created in all the provinces and on the Isle of Youth. To the studios of Santiago de Cuba and Holguin, we added the telecenters in Camaguey, Villa Clara, and Pinar del Rio.

Steps are being taken to create independent television stations in Guantanamo and on the Isle of Youth, due to the peculiarities of those two territories. One, because it is the first trench, and the other because it is a corner of the fatherland where thousands of foreign youths are studying.

In the other province capitals we will need to establish a primary stage during which local programs will be produced, through one of the national channels, in schedules that will be agreed upon in order to use the equipment and signal of national channels.

In the case of the Havana provinces, where one-fourth of the country's population lives, the perspective that is being analyzed is the creation of a third channel, with cultural programming and entertainment. This is something that cannot be done for the entire country technically. More than half of the television programs are in color. Work is being done so that the national production, which is now 65 percent of that system, reaches 100 percent during this 5-year period. We also hope to begin to introduce color television, to a certain large-scale degree, not only with our production, but also in cooperation with the Soviet Union.

In the relatively near future, we will have the possibility of transmitting Cuban television via satellite so that it can be watched throughout Latin America and in most African countries. [applause]

With almost 2 million television sets, television is at this time in our country the source of information, recreation, and cultural influence with the greatest importance and potential. The fundamental thing is to concentrate efforts on quality programming. For this reason it is essential that we overcome mediocrity and the practice of taking the easy way out [facilismo]. We must discard obsolete schemes, introduce advanced forms of production organization, adopt and implement appropriate measures in labor matters, and apply a consistent cadre policy, opening the screen to the best artistic talent in the country. [applause]

We want and can have radio and television that is more popular, more representative, richer in topics of interest, more entertaining, and more cultured.

The most important ideological and political task that we face is the culmination of the construction of socialism and at the same time the unflagging struggle for the perfection of our society. We do not evade or disregard our imperfections and problems. We must remain alert and put a stop to the easily frightened petite bourgeoisie spirit that views the norms of authority as exaggerated and the rigor of discipline as extreme. We must criticize the least sign of arrogance and defeat, and the least indication of bourgeoisification and corruption. [applause]

At the beginning of 1984 through agreement of the Politburo, a message signed by the first secretary was sent to each militant of the party reiterating the decisive role of the individual Communist in the family, the work center, and the community in educating children and youths. We wish to stress the validity of the concepts expressed in that message and to insist on the social importance of the personal example of the Communists and the cadres. We also want to insist that the party's capacity and authority to struggle against ideological inconsistencies in our society depend on the predominance in its internal life of the opportune and fraternal exercise of criticism and self-criticism.

Naturally, in the future we will continue to wage a tenacious struggle against any enemy attempt to break the combative morale and weaken the patriotic spirit and the people's confidence in the revolution. The economic education, labor discipline, and conscience and culture of producers will continue to be essential objectives of ideological education in the future, based on the firm conviction that progress and our future well-being depend on our talent, sacrifice, and sweat. Our aspirations to perfect all the work of the revolution obviously include the ideological front where we must advance to higher levels, freeing it of formalism and eliminating any bureaucratic influence.

We must emphasize that the party's explanations of its policy in each area of economic and social development must be convincing. Efforts in all institutions must be creative. We must give priority to the solution of the concrete problems of the masses, and we must combine the study of the Marxist-Leninist theory with the concrete practice of building socialism in our country.

In the coming years, our fundamental ideological instrument and sure guide for action will be the party program, which contains the essential things and work objectives we must undertake not only for the country's economic and social development but also for the development of our Communist consciousness. [applause]

Companeros: Regardless of how high a mountain might be, if the climbers are tenacious, there are always people who reach the top, and here we are approaching the end of this. [applause]

During the years we are analyzing, the international situation has been one of the most tense and complex of the postwar period. It has been characterized by a growing threat to world peace and by the growing danger of a nuclear war in the midst of one of the worst economic crises of the capitalist system, which mercilessly unloaded on the Third World nations the catastrophic consequences of this crisis.

U.S. imperialism, especially the Reagan administration, is entirely responsible for the worsening of the international situation.

In our report to the second congress, a few days before President Reagan initiated his first term in office, we warned that we had to be prepared to face the serious difficulties the world would face. We based our opinion on the policy that the new U.S. Administration had proclaimed. This administration's program was flooded with a fascist foreign policy based on chauvinistic and militarist concepts. It included the manipulation of U.S. public opinion and stirring up the ghost of an alleged Soviet threat.

This would be used as a premise to back the security theory of military supremacy as the only guarantee for defending what they call U.S. interests. This policy was necessarily accompanied by the reaffirmation of the global role the United States has adopted, in open alliance with reactionaries and counterrevolutionaries everywhere.

The Reagan administration's foreign policy was complemented domestically with measures that give privileges to the richer sectors of U.S. society, and that have resulted in cuts in the budgets for U.S. health, education, and social assistance, cuts that negatively affected lower income groups, including the elderly people, the unemployed, and broad sectors of blacks and Latin Americans.

This domestic policy was accompanied by a decapitalization of the economies of Third World countries by means of a brutal increase in interest rates -- and all this to obtain a huge increase in military expenditures and to pay for rearmament without having to impose new taxes, while promising that there would be a well-balanced budget.

Reagan and his aides thought that while military expenditures would serve to reactivate the flat U.S. economy, they would also simultaneously secure the objective of imposing on the Soviet Union and the other socialist countries unsustainable tension on their economic, scientific, and technological resources, and that this would delay the advances of socialism.

The U.S. Administration exerted pressure on its European, NATO, and Japanese allies to have them implement this policy. This is how new and increasingly more costly arms buildup projects began. The U.S. Government began installing 572 medium-range missiles in Europe aimed at the Soviet Union. All this recently culminated with the proclamation of the so-called "star wars."

In the face of a growing and powerful propeace movement that comprises the most dissimilar forces -- which initially included workers and student groups in Europe as well as important U.S. sectors -- the march toward a nuclear confrontation went on.

Only in recent months have signs appeared, still weak, of the possibility of a return to detente.

The sinister path of U.S. foreign policy has been importantly obstructed by the unflinching position in favor of peace of the Soviet Union and the socialist countries, by the firm opposition of the progressive masses of Europe and elsewhere, and by the firm resistance put up by all the revolutionary movements and countries of the Third World to the positions of force and blackmail adopted by the United States during these years.

The clear, brave, and flexible proposals that the CPSU leadership has repeatedly presented to safeguard peace and to stop the arms race have taken the initiative from the United States and its aggressive policy; this forced Reagan -- who had declared his decision not to negotiate with the Soviet Union -- to accept the Geneva meeting and to talk for many hours -- extensively, beyond the official meetings held by the representatives of the two countries -- with the head of the Soviet delegation, Comrade Mikhail Gorbachev. [applause]

No solution came out of Geneva, but hopes did arise for a change that could lead to an increase in communication, and this, to serious steps toward detente and peace.

The fact that those who once based their policy on a search for military supremacy have now said that this supremacy cannot be secured, and that such a search is senseless, and the fact that those who one day proclaimed that there was the possibility to win an atomic war are now admitting that this is impossible and that therefore there should be no nuclear war -- these facts are an indication that there have been slight changes.

On 15 January, Comrade Gorbachev, responsibly sustaining the line and position he held in Geneva, proposed a program of action for the remainder of this century to secure the total elimination of nuclear weapons in the world.

Not since the emergence of these fearsome weapons of massive destruction, which have become a terrible nightmare for mankind, had there been a proposal so categoric, firm, and specific to eliminate those weapons.

The struggle against nuclear arms and their proliferation has been presented on a basis in which no country or group of countries would have the exclusive privilege of equipping themselves with such weapons.

The same type of proposal has been made regarding chemical weapons. The principle of on site inspections has been accepted. All the pretexts imperialism has presented in the past in this regard have been refuted. This program has been received with satisfaction everywhere.

The U.S. President himself has not been able to prevent the acknowledgement of what his spokesmen have called positive aspects of that proposal. Reagan's policies have not only endangered world peace and threatened mankind as a whole, in the unfolding of Reagan's hegemonistic goals and of his function as an imperialist gendarme, he has aggravated the world situation, especially in areas that are potential and dangerous focci of tension.

We cannot forget that the possibility that Reagan might modify his attitude toward the world, will not necessarily mean that he will change his attitude at regional levels.

In some cases, such as in Central America, Angola, South Africa, and other countries, the imperialist aggression has increased since Geneva.

One dramatic example of the return to the Big Stick policy, proclaimed by Theodore Roosevelt almost a century ago and now being implemented by Reagan at the world level, is the unscrupulous and brutal occupation of Grenada, a tiny Caribbean island of approximately 400 square km and 120,000 people which is thousands of kilometers from the United States. The U.S. Government sent a powerful military force against the government of that country, thus exercising its self-appointed international gendarme function.

It is true that, unfortunately, the errors of the revolutionaries of Grenada made it easier for imperialism to accomplish its filthy task. However, this does not make the U.S. Government's crime against international law and the rights of the people less serious, and it does not diminish the meaning of the death of the unforgettable founder of that fatherland, our Comrade Maurice Bishop, of his companeros who died with him, and of the Cuban internationalist workers who were compelled by the brutal occupation forces to defend their honor and lives in an unequal battle for which they were not prepared. This was a lesson for us.

But Grenada was hardly an expression of the crude and brutal policy of President Reagan for Latin America.

Reagan dumped billions of dollars in arms, military assistance, and economic aid on El Salvador, a small and underdeveloped Central American country whose people for decades endured the most brutal and corrupt despotism and whose pro-Yankee and Yankee-made regimes have tortured, made disappear, and murdered tens of thousands of citizens. He put this in the hands of genocidal people who want to uproot the revolution and to impose at all costs a military solution on the conflict.

This is being done, as it happened in Santo Domingo, Guatemala, Vietnam, and other places, while invoking the defense of democracy in the world and the security of the United States.

The admirable resistance that the Salvadoran revolutionaries have presented and the ability with which they have been able to adapt themselves to the war conditions imposed by the flood of sophisticated military technology and by the advice given by the best U.S. experts, have sent down the drain the imperialist dreams of smashing rebelliousness [rebeldia] in that country.

The Salvadorans have given the imperialists an example of the heroism, intelligence, and capabilities for the struggle of the Latin American people, who they have always considered a strange and scornful mixture of arrogant blacks, people who in El Salvador -- one of the smallest countries in this continent -- are now showing the empire what its limits of might and power are. [applause]

Nicaragua, and its young Sandinist revolution, however, were meant to endure the most visible and sinister evidence of the return to the days of the imperialist stick and carrot. The current U.S. Administration wants to materialize its aggressive and reactionary ideology by destroying the Sandinist revolution, forcing it to capitulate and to accept U.S. conditions. With this, the U.S. Administration wants to teach a lesson and issue a warning to the entire continent.

Nicaragua is enduring a war financed, directed, and implemented by the Pentagon and the CIA by means of a mercenary army that has bases in Honduras and Costa Rica. However, no one can make history march backward. The firm and brave Sandinist decision of not retreating has made it clearly evident that what happened in Cuba is not exceptional, that no power -- regardless of how powerful it might be -- can impose its arbitrary will on a nation willing to resist.

After years of heroic struggle to maintain its identity and to respect the will of the people, Nicaragua is there, unbeatable, and exhibiting important achievements, such as the agrarian reform, and great progress in the educational and health services in spite of the bleeding and destruction it is enduring, a bleeding that already amounts to more than 12,000 dead and a destruction that amounts to more than $1 billion in property damage.

The U.S. equivalent to the Nicaraguan death toll resulting from Reagan's dirty war would be 900,000 dead; the property losses would be unbearable.

Enduring the economic burden that the war imposes, and mourning its dead daily, but firmly maintaining its plan for a new independent, democratic, nonaligned, and pluralistic Nicaragua, the Sandinist revolution stands. [applause]

The Yankee incapacity to impose its policy in Central America by force is symptomatic of a more important predicament. In the past 5 years, the period we are analyzing, the imperialist plan to govern our America through genocidal military tyrannies went into a crisis.

The crumbling of the Argentine military junta and the victory of Alfonsin; the return of Uruguay to democratic life after many years of bloodshed; the democratic opening of a country as important as Brazil; the arrival in power of a civilian government in Guatemala, where the repression of the military regimes installed by the CIA in 1954 has produced a toll of more than 80,000 either missing, tortured, or dead among a valiant people, and a revolutionary movement which has unselfishly struggled and resisted for years and is now hoisting the banner of a negotiated political solution for its country; as well as other evident changes in the continent, have left Pinochet, Stroessner, and Duvalier as the solitary representatives of a sinister imperialist scheme whose fate is to disappear.

The formation of the so-called Contadora Group, where Mexico has played an outstanding and positive role, is part of this framework because in spite of its weaknesses and instability and of the tendency of some of its members to make concessions to Washington, Contadora is an expression of Latin America's growing will to demand respect for its countries' sovereignty, to resolve its problems by peaceful means without intervention or demands from the United States, and to safeguard the right of the people to have whatever social and political system they view as suitable.

The support for that effort by the Support Group -- made up of Uruguay, Argentina, Brazil, and Peru -- strengthens its Latin American spirit. Since the beginning, Cuba has expressed solidarity and unrestricted support for the Sandinist revolution and for its young teachers, doctors, construction workers, and technicians in general. We do not conceal this. The military and security advisers have been a modest expression of our solidarity.

Cuba has also played a role in the search for a negotiated solution to the Central American conflict, which must also involve a U.S. commitment to give up its aggressive actions against the Nicaraguan people. To demand that Nicaragua assume commitments, without complying with this prerequisite first, is equivalent to requesting a negotiated surrender of the Sandinist revolution and renunciation of the country's sovereignty and independence.

In addition, we must not forget the need to seek negotiated political solutions to the wars in El Salvador and Guatemala. The Malvinas incident confirmed that the imperialists are capable of trampling the feelings of an entire continent as often as their interests require. They are even capable of insulting the integrity of Latin America rather than contradicting its NATO allies. That was an unforgettable lesson for the gullible.

Only a few days before that war, relations between the United States and Argentine military intelligence, at the service of the CIA, trained the first Somozist groups in Honduras that would soon attack Nicaragua. The Yankees preferred the Gurkha mercenaries of the British Army over those mercenaries.

The unified Latin American and Caribbean conscience is making some progress. SELA, in which Cuba has participated since its inception despite existing differences, is evidence of this. The recent declaration in Caracas and the previous one in Quito express this common spirit.

Most current governments in Latin America that refuse to accept Washington's demands do not advocate the disappearance of imperialism, much less question the capitalist system. Some advocate structural changes, others do not. The economic reform on which they are willing to embark varies in degree; in some cases, it is minimal.

This involves resistance against foreign domination -- the repugnance that any self-respecting government feels toward being used as a satellite. The objective contradictions between the economic interests of the empire and of our peoples are increasingly more evident. This reinforces the necessary historical inclination of Latin America toward its development and final liberation, which is an indispensable preamble for the most profound transformations required by our region.

In this Latin American position, even non-Marxist currents, such as the Social Democrats, can play a certain positive role. In the face of the most negative aspects of U.S. policy, the European Social Democrats allow themselves to assume more progressive positions. The European Christian Democrats do not show the same trend, however, and it would be wrong not to note that among Christian Democratic and social Christian forces in Latin America, we can find progressive elements, and it would be neither correct nor valid to describe all Christian Democratic governments that might emerge in the area as necessarily negative forces. Not all are constantly called to play the ominous role of the Christian Democratic government of Duarte in El Salvador.

In addition to the Christian Democrats there are the Christians, who are not necessarily Christian Democrats, those who are represented in Latin America by a mass of hundreds of millions, most of them laborers, peasants, and middle class members who will not be able to liberate themselves unless they build socialism. In turn, socialism cannot be built without their support.

The theology of liberation has emerged as an important force in Latin America. We value it as a sincere experience committed to the poor and involving those who in this way express their authentic Christianity. However, we also value its political significance as the expression of the will of many Christians -- based on their own religious convictions -- to build a world in which fraternity, equality, and justice prevails among all men.

In the struggle for the independence of Latin America, the military officers should not be forgotten. Although the prestige of the men in uniform was shamefully tarnished in many of the countries in the hemisphere, in others, such as Peru during the times of Velasco Alvarado and in Panama -- to which we must add many personal cases in various corners of our America -- these military men showed the patriotic, popular attitude that many officers can adopt and claimed the right not to be excluded in this struggle for the second and final liberation of our peoples.

The nations of the Caribbean are also struggling under the effects of the capitalist crisis. The U.S. protectionist measures and the constant drop in the price of their main exports has prompted social unrest with a painful toll of victims in countries such as the Dominican Republic, Jamaica, and Haiti.

The much publicized Caribbean Basin Initiative has only served as a mechanism to consolidate U.S. military, political, and economic control in this region without doing anything to solve its abysmal crisis. The Caribbean countries experiencing difficulties include Puerto Rico, the sister Latin American nation that is still moaning under the Yankee colonial boot.

The crisis that has shaken the economies of Latin America and the Caribbean has made the region regress to the levels of the per capita product existing in 1977. Between 1980 and 1985 the growth rate of the Latin American economies was a meager 0.5 percent per year, which in per capita terms represented a 2.4 percent drop. The inflation rate increased 5.9 times. The foreign debt of Latin America and the Caribbean reached $368 billion in 1975. In that year alone, Latin American countries turned over $35,090,000 to foreign capitalists in interest and profits. In the 3 years they transferred $106 billion in cash in interest and profits.

Latin America and the Caribbean are now the regions with the highest debt in the world. The magnitude and seriousness of this problem has been thoroughly discussed in our country, the site of the meeting of personalities and the meetings of labor leaders, women, youths, and intellectuals. The underdevelopment and poverty these nations received as a legacy from colonialism and neocolonialism -- and the historical plundering they were victims of when they financed the development of the capitalist world with centuries of blood and sweat -- have been joined, in the past decades, by the increasingly abusive unequal exchange, the protectionist measures, the dumping, [preceding word in English] the flight of capital to the centers of economic power, and the monetary and financial manipulations that are within the origins of the debt and that paved the way for the current economic and social catastrophe afflicting these countries.

The increase in interest rates implemented by the government of Reagan, who even ignored the protests of his Western allies, whom he engulfed in recessions with that action, made the problem worse and converted the foreign debt into an insurmountable obstacle not only for development, but for maintaining the minimum levels of survival that had been reached.

When we announced that the debt could not be paid, we were using as a basis calculations and arguments which cannot be refuted. On the contrary, the debt becomes more unpayable with each day and each hour that passes.

The most recent drops in the price of oil, as brutal as its rise has been since late in 1974, must completely persuade even those oil exporting countries in our hemisphere that one day dreamed such a giant debt was payable. We are sure that debtors and creditors alike will sooner or later reach the conviction that it is absolutely impossible to pay the debt. I hope that it will be through a dialogue and not through catastrophic crises that these debts will receive their death certifications and be buried once and for all.

If one tried to apply the inhuman IMF formulas for paying the debt, no one could predict the magnitude of the social unrest and the consequences that would result from it, still without this impossible goal even being reached. The formula proposed by Cuba is simple, understandable, and perfectly applicable: Let the states of the creditor developed countries assume the Third World countries' debt with their own banks. Cuba proposes that 12 percent of what is invested in military expenditures be used for amortization of the debt. We do not propose a break for the international financial system, or that depositors in capitalist industrialized countries lose money, or that taxpayers must pay more taxes.

To this we add that simple annullment of the debt would not solve the profound economic crisis in the Third World countries. There is a need to apply the principles of the new world economic order approved by the United Nations to put an end to unequal exchange, protectionism, the dumping, [preceding word in English] the usurious interests, and the monetary and financial manipulations by a few developed capitalist powers. We propose the practicing of economic solidarity, without any conditions, with the poorest countries and those with the greatest economic backwardness.

We have insisted that a correct solution to the foreign debt problem and a new international order would increase the purchasing power of the Third World, which has many needs. It would also put to work at full capacity a large part of the factories of the developed capitalist world, which has many unemployed.

As for the development and future of Latin America, we say that an annullment of the debt and a new international economic order are not enough; economic integration is indispensable if we want to have a place in the world in the 21st century.

To those who shed crocodile tears for the financial resources of developed capitalist countries, it suffices to remind them that, with price reductions of petroleum last year, those countries will save no less than $80 billion in 1986, which is enough to service the interest of the Third World's foreign debt for an entire year.

As we might surmise, the economic crisis and the enormous, unpayable foreign debt have contributed to the historic convergence of the peoples of Latin America and the Caribbean.

The United States has tried to impose its policy of force in Africa, the Middle East, and Asia, and it is failing in those attempts.

In the African southern cone, it offered its decisive support to the ignominious South African regime. At the same time, the United States has tried to promote agreements between South African racists and the People's Republic of Angola to force the latter to accept the withdrawal of Cuban forces. All of this is accompanied with a disregard for and distortion of UN Resolution No 435, which aims to guarantee Namibia's independence.

Instead of an independent Namibia, for which its people have fought for long years under the direction of SWAPO [South-West African People's Organization], Washington is trying to ensure that Namibia will become an appropriate site for South African and U.S. neocolonial exploitation.

To complement this policy, the United States has promoted an understanding between the MPLA [Popular Movement for the Liberation of Angola] and Jonas Savimbi, a traitor to Africa linked to racist South Africa.

A few days ago, Reagan welcomed this mercenary with honors befitting a head of state. His forces have attacked and torched entire villages, murdered defenseless people, and killed thousands of civilians without differentiating among men, women, the elderly, and children. That is the prototype for freedom fighters with which the U.S. President associates himself in Nicaragua and Angola.

This Reagan attitude has encouraged South Africa to maintain an aggressive policy toward Angola; to continue to support the counterrevolutionary bandits of Renamo [The Mozambique National Resistance Movement], despite its hypocritical Nkomati accord with the People's Republic of Mozambique; to attack Lesotho and Bostwana; and to threaten Zimbabwe and Zambia.

Angola, which today, 4 February--the day in which this congress begins,--marks the 25th anniversary of the beginning of its courageous struggle against Portuguese colonialism. [applause] Angola has maintained its position based on firm principles, has strengthened and developed its Armed Forces, and has decisively faced the military escalation. During that period, Cuba has increased its support to that brother country.

However, a negotiated solution is possible. The known phase of the Cuban-Angolan joint declaration of May 1984 for the independence of Namibia, based on the application of UN Resolution No 435, and previous attempts to normalize the situation in southern Angola have full validity today.

The old attempt to link Namibia's independence with the withdrawal of the Cuban internationalist contingent has faced a decisive rejection from the international community at the United Nations, the OAU, and the Nonaligned Movement. The independence of Namibia, and end to aggressions against Angola, and an end to aid to UNITA [National Union for the Total Independence of Angola] would make feasible the gradual withdrawal of part of those forces, as Angola and Cuba have proposed. However, whether the remaining forces continue in Angola and the circumstances and the date when all of them should be withdrawn, is the exclusive prerogative of the peoples of Angola and Cuba. [applause]

South Africa today faces an irreversible crisis of apartheid and of its own system of domination. The growing work of the ANC [African National Congress] and the increasing rebellion of the masses, which met with the most brutal racist repression and received enormous solidarity in the world, are a reflection of the current situation. We have no doubt that the historic result of this multiple battle will be reaffirmation of the independence and revolution in Angola, the independence of Namibia, and the disappearance of the intolerable system of apartheid. [applause]

Reagan's policy has gone further. Its unconditional support for Morocco has served to break the process for resolution of the conflict in the Western Sahara that was proposed and approved by the OAU. His threats against Libya and the blockade established due to that country's anti-imperialist position create permanent insecurity in the Mediterranean and northern Africa.

A little farther beyond, in the Middle East, the desire to make Israel -- which Reagan has declared a strategic U. S. ally -- prevail in that region has led to making the situation in Lebanon more tense and more difficult, instead of finding a solution to that country's dramatic problems. Reagan's failure was made evident with the rapid withdrawal the U. S. Marines were forced to carry out and the subsequent withdrawal of his Israeli allies.

The complex problems of the Middle East have been aggravated by the differences among the Arab countries, countries that have always had our firm friendship and solidarity. The Palestinians, who through the PLO have had almost universal support, have become dramatically divided and continue to be so. Cuba, like other countries, did everything within its modest capabilities to restore that unity, but without achieving that objective. However, this will not detract from out solidarity with the Palestinian people's struggle for their legitimate and unrenounceable rights.

We have also worked and will continue to work for the unity of the Arab world as an essential part of the progressive forces of the Nonaligned Movement in the international community. We view our support for the Saharan Democratic Arab Republic and the Polisario Front as a matter of principle in the same way we reject with indignation the policy of blackmail and threats against Libya. [applause] Ethiopia, its great people, and its great leader, Companero Mengistu Haile Mariam, will also always have our full support. [applause] Africa in general will continue to have the permanent solidarity of the Cuban revolution.

A rapid review of Asia shows noticeable signs of the ill-fated character of U.S. foreign policy. Were it not been for the political, logistical, and financial U.S. support for the Afghan counterrevoluntionary bands, it would have been easier to achieve the political solution advocated by the United Nations, which has been accepted in principle by Afghanistan and Pakistan with the support of the Soviet Union. In a country where 235 out of every 1,000 children born alive died in the first year of life, where 80 percent of the population was illiteratre and 70 percent of the land was in the hands of only 2,000 families, nothing was more logical, necessary, and just than a revolution. Nevertheless, the U.S. Government has invested billions of dollars to try to crush the revolution; but it has not been successful. It is time for imperialist interference in the internal affairs of the Afghan people to stop and for the right of the Afghan people to build a future and live in peace to be respected. [applause]

India has denounced the manipulations aimed at destabilizing and dividing that country through inflammation of the separatist tendencies, community clashes, and the use of terror. That extreme climate of tension had a tragic culmination with the assassination of our dear and highly esteemed friend, Indira Gandhi. [applause] Death deprived India of great stateswoman who deeply understood the problems that, alongside her father, she had learned to handle. She was humane and sensitive, but at the same time firm. All of mankind felt as its own this loss, which we Cubans also felt. The wise and sure action of Rajiv Gandhi, who has continued the family tradition and shown his maturity and own determination, has confirmed that the enemies of India will not be able to impose their designs there.

The U.S. aggressive and warmongering strategy also acts in Japan for the purpose of strengthening the U.S. military presence in the Pacific and Indian oceans and of taking beyond the Japanese coasts, to which it is limited, the defense forces of that country.

The provocations on the Korean peninsula continue. Seoul was chosen as host for the forthcoming Olympic Games without taking into consideration at all the other part of the country, thus ignoring -- undoubtedly as a result of U.S. influence, pressure, and maneuvers -- that the nation is cruelly and artificially divided, that not long ago there was a bloody war as a result of which hundreds of thousands of people from various nations died, that South Korea is a Yankee military base, and that that puppet state is ruled by one of the most horrible and repressive regimes in the world.

Cuba supports North-South talks aimed at sharing the Olympic Games. This is the only honorable way out of the situation that has been created. Without that honorable way out, our country cannot possibly participate in those games. [applause]

The process of dialogue in Southeast Asia between the Indochinese countries and those of ASEAN is shamelessly being obstructed and Cambodian counterrevolutionaries are being encouraged. Meanwhile, the efforts to isolate Vietnam have continued, but this policy has not succeeded: The dialogue between ASEAN and Indochina continues. Vietnam is consolidating and strengthening its relations with the socialist society and the rest of the world. In Cambodia, there is a process of national rebirth.

Meanwhile, the anti-nuclear and pacifist movement has gained strength in the region and has been extended to South Korea, Australia, and New Zealand, a country that has been implementing an anti-nuclear policy that provoked a crisis in ANZUS.

In the entire Asian continent, the positive position China has been adopting in recent times regarding important international matters has not failed to produce an impact because of the undeniable weight China has in the complex development of situations in the world.

Its orientation toward world peace and its commitment, as a nuclear power, not to be the first to use nuclear weapons its rejection of Reagan's war of the galaxies plan; its support for the demands of the underdeveloped countries in the framework of its international economic relations; and its correct policy for the problems of Central America are part of this position.

Meanwhile, China and the Soviet Union are exchanging delegations and improving their relations. China supports the idea that the Seoul Olympic Games be shared. These are positive facts that we must cheer. The militants of our party know, however, that along with our adequate state relations with China, there are still Chinese Communist Party positions on vital foreign policy with which we do not agree and with which we cannot agree, including its hostility and its actions of force against Vietnam, a country that in its heroic struggle against imperialism spilled its blood for the independence of all Third World countries. [applause] We hope that some day this animosity will disappear, because it is a shadow and an obstacle for a sincere improvement of relations between Cuba and China.

If to the resistance that the Reagan policy has found and will continue to find in these three continents, we add the reluctance and the lack of enthusiasm with which Reagan's own allies back it, the unreal and anachronistic nature of that policy becomes evident. On the other hand, the catastrophic commercial deficit of the United States in 1985 amounted to the record figure of $148.5 billion. Reagan's promises about a reduction in the budget deficit, which in 1985 was more than $200 billion, were not kept. As a whole, the country spent more than $350 billion that had not been produced in a year. This is something that not even the lucky owners of Alladin's lamp could have dreamed of.

At the beginning of the 5-year period, Cuba headed the Nonaligned Movement, a task that was not easy at a moment as complex as the one that existed. The Cuban efforts to stop the war between Iran and Iraq have been acknowledged. That war has always appeared to us as absurd and of tragic consequences not only for both countries but also for our movement.

We cooperated alongside the nonaligned countries in the struggle to fight the Israeli aggression against Lebanon and to demand respect for the rights of the Palestinian people, victims of brutal massacres such as those at Sabra and Shatila. The movement was present in Central America and in the Malvinas war. At the United Nations, the condemnation of South Africa was due, to a great extent, to the action of the nonaligned countries. The economic problems of the Third World and the struggle for a new international economic order were given attention continuously.

Cuba also has decidedly contributed to maintaining the unity of the movement and to promote an acceptable solution regarding the host country for the 7th Nonaligned Movement summit that had to be decided upon because of the continuation of the Iran-Iraq war.

We need no higher praise for Cuba's work during that period than a statement by Indira Gandhi upon taking over the presidency of the movement from Cuba. The Nonaligned Movement continues to maintain its already known heterogeneous nature. In recent years it has continued to be an active and determining force in world policy. The assassination of Indira Gandhi brought about uncertain moments that Rajiv Gandhi has successfully overcome with sagacity and energy. The ministerial meeting in Luanda displayed the strength and unity of the Nonaligned Movement. The election of Zimbabwe as host of the next summit not only confirmed the prestige of that country and its young leader Robert Mugabe, but also showed the importance the Nonaligned members give to the situation in southern Africa, the apartheid problem, and the dramatic status of the African economy.

Our party's activity in international circles during these years, the development and strengthening of our ties with the communist parties of the entire world, especially to the members of the socialist community to which we belong, has played a decisive role.

To us, the unity of a communist movement, with absolute reciprocal respect and independent criteria for each member, is an important factor in the struggle to further socialism and in the implementation of a common strategy of peace and development.

The role of the CPSU in this historical task is well-known to us. In its capacity as the first socialist country, due to its enormous economic potential, its undoubted military might, and loyalty to the principles of Marxism-Leninism and proletarian internationalism, the USSR is a decisive party of the historic contemporary forces.

The CPSU, leader in the East, is our closest friend and our best political ally. Similarly, each party in this important movement, be it big or small, will always be worthy of our greatest respect and consideration. [applause] Our party's good relations with the other revolutionary, progressive, and democratic forces throughout the world take place in the framework of the political situation that we described. As for state relations, Cuba currently holds dipolomatic ties with 121 states and maintains consular relations with two others. This figure is enough for us to be able to see from another angle the failure of the imperialist policy that tried to politically encircle and isolate the Cuban revolution. Prerevolutionary Cuba only had relations with 51 countries.

In the Cuban state's international activities, relations with the Soviet Union also enjoy priority and special attention. The exemplary nature of these relations demonstrates not only the USSR's continued political support and invaluable supply of military material that has permitted the defense of Cuba, but, as we have stressed more than once, the fact that the Soviet Union initiated a kind of economic relations with Cuba that might be considered the new international economic order to which we of the world's undeveloped countries aspire. [applause]

The long-term program for the development of the economic and scientific-technical cooperation between Cuba and the Soviet Union until the year 2000 confirms this. Close cooperation with the other countries of the socialist community, CEMA members, takes place to a different extent and according to particular circumstances. Along with the Soviet Union, the GDR, the People's Republic of Bulgaria, the CSSR, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Socialist Republic of Romania, and the SRV constitute our most important associates. Our joint participation in CEMA permits us to work in coordination and on a long-term basis. A close friendship and mutual identification with the DPRK, Lao People's Democratic Republic, and the People's Republic of Kampuchea also constitutes a part of our socialist relations expressed in our firm friendship and cooperation relations with the SFRY. We hold normal relations with the PRC with which we maintain important and positive trade and government relations. Our relations with the Socialist People's Republic of Albania have developed favorably. More than once we have stressed our historical and racial ties with Africa. We are proud to say the revolution has strengthened these ties. Both Cubans and Africans in Angola and Ethiopia have set an example of combative internationalism. With them and numerous African countries, this internationalism has also been applied in the economic, scientific, and technical fields. Angola, Ethiopia, Mozambique, Tanzania, Zambia, Zimbabwe, Congo, Guinea-Bissau, Cape Verde, Madagascar, Seychelles, Benin, and Sao Tome are permanent allies in common battles in which we are now accompanied by Ghana and Burkina-Faso after the positive transformations in these countries.

The Sudanese people, subjected for long years to the bloody oppression of the Numayri regime -- a pawn of imperialism and Arab reactionaries -- broke the chains of tyranny with their vigorous mass actions in the north and the struggle of their guerrilla army in the south, and, with their heroic fighting, opened a promising revolutionary outlook. We harbor the hope that imperialism will not be able to hamper the process of change that takes place in that country.

Our friendship with Arab countries like Algeria, the People's Democratic Republic of Yemen, Libya, Syria, and Iraq is traditional. Ties with Iran were strengthening after the popular revolution that deposed the reactionary shah. We hope the dramatic events in the People's Democratic Republic of Yemen, whose tragic consequences we recently witnessed, will not harm the revolutionary process, the indispensable unity, independence, and peace in this sister country.

Our relations with developed capitalist countries have been determined by our policy of normal trade and mutually advantageous cooperation based on mutual respect and the independence of different social systems. Although we have not succeeded in getting the EEC countries to amend regulations that hamper or discriminate against our potential exports and they have not been able to relinquish protectionist policies, subsidies, and dumping [preceding word in English] that seriously harm the economy of many Third World countries, neither the EEC nor Japan have accepted the U.S.-advocated policy of establishing a virtual economic and financial blockade against us. This has been shown by the way in which these countries, Cuba's creditors, have dealt with the problem of refinancing our foreign debt. We will continue our efforts to make these relations stable and lasting. This, in addition to a firm economic perspective, includes a political dialogue regarding matters related to bilateral relations of the most important international problems.

It will hardly be necessary to explain -- because this springs almost naturally from the U.S. policy all over the world -- that the accession of the current U.S. Administration to the government brought about an extremely aggressive stance toward Cuba. This stance led the U.S. Government to strengthen its economic blockade against our country and make even more efforts than the previous administrations to impede our normal commercial and financial operations. At the same time, new plans for military aggression and subversion against our country were shamelessly announced. Stress was made on confronting us with the possibility of a true military action and going to the source, as one of their leaders described it, attributing to us with marked arbitrariness all that happened against the U.S. plans of dominance in Latin America, the Caribbean, and other places in the world. With unheard of insolence, the United States has continued to violate Cuban airspace with their SR-71 flights. As we have explained already, the Reagan government's threats and organizational measures have only served to strengthen our country's defensive ability and to turn our homeland into an impregnable bastion. [applause]

In the middle of the U.S. Government's permanently aggressive stance against Cuba, an opportunity arose for the two sides to reach a limited immigration accord, and our policy regarding this country was reasserted on the possibility of reaching reasonable agreements for the two parties, independent of the ideological abyss separating our two governments. Such agreements can be reached if our sovereign equality is respected and the absurd and intolerable interventionist plans that have generally marked U.S. policy toward Cuba for more than 25 years of revolution are excluded. During the 4 months that this immigration accord was in force, we scrupulously did our duty. Nevertheless, suddenly and provocatively, with only a few hours advance notice, and in an action simultaneously unnecessary and offensive, the U.S. Government made the decision to carry out its paranoid plans to initiate subversive medium-wave radio broadcasts against our country. Even more, the United States cynically used the name of our national hero to identify those broadcasts. For this reason, we decided to suspend the accord reached.

As we have said many times, Cuba is not reluctant to discuss its lengthy disagreement with the United States and seek peace and better relations between our two peoples. Our party reasserts this once again in this congress. [applause] We believe this would help to improve our area's political climate and would somehow also influence international policy. This, however, would have to be based on the strictest respect for our situation as a country that does not tolerate any shadows over its independence for whose dignity and sovereignty entire generations of Cubans struggled and sacrificed themselves. This will be possible only when the United States makes up its mind to negotiate in earnest and is willing to deal with us in a spirit of equity, reciprocity, and the fullest mutual respect.

The times when the empire could do its will in our country are long gone. [applause] The perseverance, tenacity, and firmness with which we have resisted during these 27 years our proven loyalty to our principles, determination with which we have engaged in the task of creating a new world and a just homeland, the confidence and certainty with which we lay the foundations of our future, and the heroism with which we have defended and will defend our revolutionary work, entitle us to the right that no one ignore or underestimate our people. [applause]

In addition, the links that we have established with the billions of human beings in the world who have common interests with us demonstrate that we are not fighting alone, but that we are a part of a humanity that is determined to prevail in its struggle for survival, peace, freedom and justice.

Like it or not, the United States will have to put up with a revolutionary Cuba. [applause] It will have to resign itself to this, and to a changing world. [prolonged applause]

Companero delegates, because we have made the right decisions, and have worked tenaciously throughout these years, our fatherland is stronger, our economy more solid, our experience richer, our party more experienced, and our people more mature, more united, more cultured, more self-confident and more revolutionary. [applause]

As we near the 30th anniversary of the "Granma," now that we look back on the road that we have covered -- back then, there was not even a light to show us the way to our destination -- we are pleased to think that these congresses are lighthouses that point the way to safe ports for the ship of the revolution to pause now and again to renew its commitment to its cause, during its lengthy voyage through the seas of history. [prolonged applause, rhythmic clapping to shouts of "Granma!"]

However, we are no longer a handful of men in a small yacht, better equipped with ideas than with weapons; we are now an immense, solid ship, that no wave, no wind, no storm can sink. This time, it is loaded with many dreams that have become reality, and many realities that are dreams still to be realized. An entire people is sailing toward the future, to land in it with the knowledge that even if they are faced with mountains of difficulties and obstacles, and even if a perfidious enemy is waiting to pounce, many 1 Januaries await them, as a reward for their tenacity, their self-confidence, and their effort. [applause]

Let us pledge to redouble our efforts and promise ourselves that if some day our work should look good to us, we will strive to make it better, and if it is better, we will strive to make it perfect, with the foreknowledge that, for a Communist, nothing is ever good enough, and no human deed can ever be sufficiently perfect. [prolonged applause, shouting]

FURTHER ON 5 FEBRUARY PCC CONGRESS SESSIONS

Main Events Highlighted

FL061651/FL051731 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1421 GMT on 6 February carries a report on the Third PCC Congress 5 February sessions. The announcer briefly recaps the main events of the day, and then introduces a montage of video footage of the day's sessions. The first footage consists of a 1.5-minute clip of Raul Castro's remarks at the start of the afternoon session concerning the overflight of Cuban airspace by a U.S. SR-71. This is followed by a montage of speeches by foreign and Cuban delegates to the congress, all approximately 2-3 minutes each with the exception of the speech by Angolan delegate Antonio dos Santos which totals 10 minutes. The recorded excerpts are presented in the following order (the delegates are not identified by name; the nationality of each delegate is superimposed on the screen as each speaker appears): Bulgaria, the DPRK, USSR, Hungary, Laos, Mongolia, Poland, Romania, SRV, Yugoslavia, and Angola. At the end of Angolan delegate Antonio dos Santos's speech, Fidel Castro is shown in closeup applauding.

At 1500 GMT the montage continues with 2-minute excerpts of speeches delivered from the floor of the auditorium by Cuban delegates Aldo Prieto, who discusses fishing production; Elsa Pedroso from Villa Clara, who discusses education; Roger Concepcion, who discusses construction achievements and goals; Ramona Medina de la Oz, delegate from Guantanamo, who discusses defense tasks; and Rubiselda Hernandez, speaking on education achievements.

The video montage concludes at 1508 GMT with a brief excerpt of Fidel Castro's main report dealing with exports and economic growth.

Commission Members Named

Havana Tele-Rebelde Network in Spanish at 1613 GMT on 5 February carries a report by Jorge Risquet proposing the formation of a commission to review the main report. The commission will include the following members: Jose Ramon Balaguer Cabrera from Sancti Spiritus as chairman; and as members: Jorge Lezcano Perez from Havana, Juan Antonio Rosas Pena from Villa Clara, Rene Penalver Valdes from Las Tunas, Carlos Lage Davila from Havana City, Belquis Elvira Zaldivar Cueto from Santiago de Cuba, Sergio Corrieri Hernandez from Villa Clara, Maria Acevedo Nunez from Holguin, and Benito Guerra Duarte from Pinar del Rio. These are the commission members who will review the main report and submit a draft resolution.

At 1615 GMT, Risquet asks for suggestions to be added to the commission. There are none. He calls for a vote and the camera gives a wide shot of the delegates in the audience raising their hands in approval. Risquet calls for negative votes and absentions. There are none. He declares the commission approved and the audience applauds.

PCC CONGRESS SESSIONS CONTINUE 6 FEBRUARY

Attendance Noted

FL061527 Havana Radio Rebelde Network in Spanish 1355 GMT 6 Feb 86

[Text] Commander in Chief Fidel Castro entered the main hall of the Palace of Conventions at exactly 0857 to participate in the fourth session of the Third PCC Congress of the most important, decisive, and responsible event of the party and the Republic of Cuba.

Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, is chairing today's sessions. He reported that 1,783 delegates, 99.6 percent of the total number of representatives, are in attendance today

Carlos Rafael gave the floor to Jose Ramon Balaguer, who read the draft resolution, which was subsequently unanimously approved.

Next, Saleh Mohammed Zirah, head of the delegation of Afghanistan's Communist Party [as heard], was given the floor and expressed greetings to the participants in the congress. He was followed by delegations from Algeria and Argentina who also expressed their greetings to the Congress.

Opening Session

FL061438/FL061740 [Editorial Report] Havana Television Service in Spanish at 1347 GMT on 6 February begins live coverage of the morning session of the Third PCC Congress being held in Havana's Palace of Conventions. The establishing shot is a video closeup of the Cuban flag followed by a shot of the Third PCC Congress emblem.

The Tele-Rebelde announcer reports the agenda for today's morning session, which includes speeches by unidentified foreign delegates, approval of the main report, and then reports presented by the eight commissions that will be presented for review by the delegates. The commission reports are related to the statutes of the party, the party program, and perfection of the political-administrative division, as well as "other topics," says the announcer.

The camera shows the stage in a wide shot as people take their seats. The camera there plans the audience and the main floor of the auditorium appears to be full.

At 1356 GMT President Fidel Castro enters the auditorium and proceeds to his seat at the dais. The camera shows him taking his seat and then pulls back showing that Raul Castro is also present and taking his seat at the dais.

Havana Tele-Rebelde Network in Spanish at 1601 GMT on 6 February resumes coverage of the morning session of the Congress.

The announcer at the Palace of Conventions reports that the most important event at today's morning session is approval of the resolution on the main report. However, the announcer does not give details of this resolution. The announcer says that Cuban delegates to the congress spoke this morning, as well as "foreign, invited guests," who brought greetings from their countries, including the delegates from Afghanistan, Chile, and the United States. The Ethiopian delegate is expected to speak this afternoon, says the announcer, as well as 18 other delegates.

Reading the afternoon program, the announcer says the session will begin with a resolution on the economic-social guidelines for the next 5 years. Carlos Rafael Rodriguez, vice president of the Council of Ministers and member of the PCC Politburo, will discuss foreign policy this afternoon, says the announcer. Also to be discussed will be the draft resolution on political-administrative goals.

Coverage from the Palace of Conventions concludes at 1607 GMT and the camera returns to the studio.

Main Report Approved

FL070323 [Editorial Report] Havana Television Service in Spanish at 0100 GMT on 7 February in its evening newscast goes live to Havana's Place of Conventions where a report is given on the Third PCC Congress afternoon session. He says the main report, the PCC program draft, the economic and social guidelines for the period 1986-90, and other important documents have been approved. Video clips of delegates praising Castro's main report are shown. A reporter indicates that a resolution was approved to establish Castro's main report as a "political document of historic dimensions." The resolution points out that Castro's report includes a "fair evaluation of efforts made in the organization and development of production and services aimed at increasing productivity and exports but also notes how much is yet to be done". The reporter adds that Jose Ramon Balaguer chaired the commission which prepared the resolution. Video footage shows Balaguer reading the document.

The reporter asserts that the party program draft summarizes the economic strategy to be followed and social policies and tasks to be fulfilled in education, science, and culture. She adds that it includes the principles of the Cuban party and state's foreign policy and outlines defense activities and the people's political and ideological education. She continues, saying that the party program draft will be discussed by grassroots party organizations, the Union of Young Communists, workers, peasant and mass organizations, and members of the Armed Forces and the Interior Ministry. She indicates that the program draft will be discussed and approved in a Third PCC Congress special session to be held at the end of the year.

Another reporter points out that a draft and resolution on changes to the PCC statutes and draft resolution on the country's political-administrative division were also approved. On the latter, he says the document does not introduce substantial changes to the structure approved during the First PCC Congress but considers proposals aimed at improving administrative-political divisions implemented in 1976.

Afternoon Session

FL070146 Havana Radio Rebelde Network in Spanish 0000 GMT 7 Feb 86

[Report by commentator Amado Cordoba from the Palace of Conventions in Havana]

[Text] The sixth session of the Third PCC Congress continues, presided over by Politburo member Osmani Cienfuegos, at the Palace of Conventions in this capital. The first part of the session included the presentation of a resolution on economic-social guidelines for the 1986-90 5-year period, which prompted the intervention of Commander Fidel Castro and other delegates. The first secretary of the PCC emphasized the need to develop our political work and establish pledges for guaranteeing the presence of qualified labor forces that are being trained for launching investment programs. The session also included the unanimous approval of the draft resolution on political-administrative division.

Representatives of the Portuguese Communist Party, the Saharan Arab Democratic Republic's Polisario Front, the Palentine Liberation Organization, the Syrian Ba'th Party, and the African National Congress of South Africa read their respective messages greeting the Cuban Communists' greatest meeting.

Today's activities were characterized by the presentation and approval of the resolutions from most of the eight congress work commissions and the participation of guest delegations. The morning session, presided over by Politburo member Carlos Rafael Rodriguez, was marked by a warm welcome by all those participating in the plenary meeting for an emotional message delivered by Volodia Teitelboim on behalf of the Communist Party of Chile's Political Commission. A greeting was also delivered on behalf of the Salvadoran people, by Commander Shafik Jorge Handal, who represented all the revolutionary organizations in his country.

Resolutions about the PCC's draft program and the draft modification of its statutes were also approved during the morning session. The PCC congress' third day of activities began with the presentation of the draft resolution about the main report, which was unanimously approved and accompanied by cheers for the Third PCC Congress.

Carlos Rafael Rodriguez, who presided over today's activities, presented the delegate for the Province of Sancti Spiritus, Jose Ramon Balaguer Cabrera, who read the draft resolution about the main report and presided over the commssion that drafted the document. Reading the document, Balaguer emphasized that the congress believes the main report objectively reflects -- through a brilliant and accurate critical analysis -- the work carried out enforcing the guidelines issued for the 1980-85 5-year period. The main report also underscored the people's achievements in the country's social and economic development, plus the party's leading role and Cuba's position in the international community.

During his presentation, Balaguer stated the following:

[Begin recording] The congress agrees that the report makes a just analysis because it recognizes the formidable effort being exerted in the organization and development of production, services, productivity, exports, and replacement of exports; the struggle for quality control; the savings and rational use of available resources; scientific-technical development; increased demands; and encouraging socialist improvement.

The main report also notes how much remains to be done. It includes the main goals which our party, state, and working people will themselves work to attain during the coming years. [end recording]

In addition, 149 delegates thoroughly discussed the draft party program. Carlos Aldana, who presided over the commission, explained the following:

[Begin recording] The commission elected by the delegates to the third party congress examined three types of modifications: first, a group of 14 proposals from the provincial delegates selected from the recommendation presented for consideration of the congress; second, 15 changes suggested by the central drafting group [propio grupo central de radaccion] which are the result of analysis that has been developing over the last few weeks; and third, 12 updates of figures and statistical data were introduced which are principally involved in the chapter work of the revolution. [end recording]

Delegate Joaquin Bernal Camero, who worked as vice president of the commission that analyzed the modifications to the party's statutes and the corresponding resolution, reported to the congress the conclusions reached by the commission concerning that important document.

[Begin Bernal recording] The analysis carried out corroborated the fact that the modifications to the statutes are not aimed at making changes in the Leninist principles and norms established in them.

Instead, their goal is to adapt them to the experience acquired during recent years and the demands determined by the party's growth and the improvement of its work. [end recording]

The report from the commission appointed to analyze the draft resolution on the political-administrative division was read by its vice president, Felix Perez Bilian.

[Begin Perez recording] The analysis has lead to the conclusion that political-administrative division approved during the Third PCC Congress has contributed to advocating improved socioeconomic development and to step up the development of the country's most backward territories.

Nevertheless, it was noted that there are still a number of municipalities which, although they have advanced from the socioeconomic viewpoint following the installation of the corresponding infrastructures and the enforcement of the plans for their development, continue to lack enough economic and social potential to establish an economic-administrative organization that allows them to solve most of the local problems with an acceptable level of autonomy. (end recording]

A large number of delegates from the appointed commissions participated in the work, so the texts of their resolutions were rich in experience.

Today's session also included reports and resolutions on economic guidelines and plans for the economy. In addition, the resolution on the Cuban revolution's international policy was approved.

More on 6 Feb Activities

FL1062124/FL062126 [Editorial Report] Havana Television Service in Spanish at 1800 GMT on 6 February begins its national news broadcast with an announcement that the ceremony closing the Third PCC Congress will be held the afternoon of 7 February in Havana's Palace of Conventions and will be broadcast at 0200 GMT on 8 February.

Following the day's headlines is a video from the Palace of Conventions on today's session of the party congress, which was presided over by Politburo member Carlos Rafael Rodriguez.

The camera shows a montage of scenes from today's session, including a wide shot of the audience, video coverage of Ramon Balaguer, a close-up of President Fidel Castro, and a wide shot of the images of communist leaders mounted on the wall behind the stage.

The camera then cuts to Havana City delegate Luis Saturnino, who spoke from the floor on the "important role of scientific-technical research for the economic development of the country." The announcer reports that other delegates who spoke were Camaguey delegate (Grisel Pejerano), Matanzas delegate (Augustin Brey), and Cienfuegos delegate Ada Lozano, who spoke on the role of the new generation in the growth of socialism and communism.

Greetings from foreign delegations continued through this morning's session, the announcer says. Video coverage follows of a speech by Saleh Mohammad Zirah, a member of the Politburo of the Central Committee of the Democratic Republic of Afghanistan, who spoke in his native language which was translated simultaneously into Spanish. The Afghan delegate said: "When we carefully listen to the main report read by the beloved leader of the Cuban people, the prominent figure of world progress and the working class, Comrade Fidel Castro Ruz, we understand why the Cuban people, under the direction of the PCC, the guiding force of the country, have achieved great transformations in areas such as industry, energy, agriculture, education, health, and culture."

Other foreign delegates who conveyed their greetings were Mohamed Ahmed Abdelghani, Politburo member of the Democratic and Popular Republic of Algeria, and Athos Fava, secretary general of the Communist Party of Argentina, Rene Theodore, secretary general of the United Party of Haitian Communists, "spoke on behalf of the revolutionary and anti-imperialist organizations of the Caribbean."

A video clip follows of Volodia Teitelboim of the political commission of the Communist Party of Chile, who said: "Even though we do not have a right to this event in our country, allow us also to approve with enthusiasm the brilliant main report, which we consider a great guiding document of out time. Since 1 January 1958 we have celebrated not only the beginning of a new year, we celebrate the beginning of the new world of socialism in America."

A montage of video interviews follows in which delegates to the congress praise the party program. A video report follows, narrated by the announcer on the PCC program. As the announcer speaks, she holds up the document and stops at various chapters as she makes comments. The party program studies the fundamental goals of the revolution, the announcer says, as well as the culmination of socialist construction. "The document, important for the future development of our country, gathers the funadmental strategic definitions of the revolution, and we are sure that it is another step forward in the order of theory and practice for our party," the announcer says. According to the announcer, work began on the program in November 1984, and it is divided into two parts. She continues, saying the first part covers the "glorious struggle of the Cuban nation for their independence and their heroic battle for socialist control despite imperialism." The second part, she says, is divided into nine chapters and "defines the goals and requirements of the national economic strategy, social policy, and perspectives on education, science, artistic, and literary culture. It contains the principles and purpose of the party and state foreign policy, the essential guidelines for defense, and the principle direction for ideological work." She also says that "the basic requirements for the perfection of the political organization of Cuban society are also included." The announcer concludes her report on the program, stating that the document will be for consideration by all the Cuban people. After this process is completed, she says, the document will be approved in a special session of the Third PCC Congress that will be held at the end of 1986.

A video report follows on the press center for foreign coverage of the party congress. The announcer indicates that Latin America, African, Asian, European, U.S., and Canadian journalists are covering the party congress.

The camera then cuts back to the studio, and the announcer reports that as of 1300 GMT other foreign delegates who spoke were (Felix Masania), member of the Worker's Party of Ethiopia Politburo; Shafik Jorge Handal, member of the General Command of the FMLN and secretary general of the Salvadoran Communist Party; Henry Winston, president of the Communist Party of the United States; Gaston Plissonnier, member of the French Communist Party Politburo; and Ngyon Nhel, candidate Politburo member of the People's Revolutionary Party of Kampuchea.

The announcer then introduces video interviews held with Cuban citizens, who praise Castro's presentation of the main report as well as the content of the report. Coverage of the party congress on the national news concludes with the announcer reporting that the congress has been covered by foreign press agencies from Britain, France, CSSR, GDR, and Bulgaria.

PCC Foreign Policy Resolution

FL070303 Havana Radio Rebelde Network in Spanish 0126 GMT 7 Feb 86

[Resolution on foreign policy approved by the Third PCC Congress at the Palace of Conventions in Havana on 6 February; read by Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers -- recorded]

[Text] Comrade Fidel, comrade delegates, comrade guests. As you know, the main report presented by our first secretary was approved as a whole. A joint resolution on this report was also approved. Nevertheless, the presidency of the congress considers it appropriate, given that the foreign policy of our country extends beyond Cuba, to prepare a draft resolution on this issue. The task was assigned to a group of comrades who worked hastily, and their final results were coordinated with the presidency. However, we apologize because there has been no time to present it, like the other resolution, to the delegates for their information.

Nevertheless, we note that the resolution was inspired by the main report presented by Comrade Fidel. We will try to read it slowly enough so that the comrades may have an exact picture of it and have the right to issue an opinion or vote on it. The draft resolution reads as follows:

The Third PCC Congress has evaluated the work carried out during the 5 last years in the foreign policy sector and heard the thorough analysis offered in this concern in the report presented by the first secretary of the Central Committee, Comrade Fidel Castro, and states its full approval of the revolution's international activities and underscores the firm principles which have characterized this policy, as well as its capacity to consider the new and complex conditions which arise at the international level.

Cuban Communists reasserted that the main goal of the party's international policy has been and will continue to be contributing to strengthening socialism, people's liberation and progress, and the defense and preservation of peace. They state their absolute trust in the guidelines governing that policy, based on Marxism-Leninism and the invariable practice of proletarian internationalism, in close collaboration with the Soviet Union and the socialist community; strong links with the world's Communist, labor, and revolutionary movements; solidarity with national liberation movements and the peoples who struggle for sovereignty, development, and their true independence.

The congress believes that the struggle for peace represents a vital task to which our party, state, and all the mass and social organizations of our people must continue to pay special attention. The congress underscores that socialism and peace are substantially the same; advocates respect for the principles of peaceful coexistence and the solution of international conflicts through dialogue and constructive negotiations; advocates general and complete disarmament; and rejects the imperialist policy aimed at promoting a rash arms buildup and achieving military supremacy, endangering world peace and squandering resources that mankind needs to solve its most urgent problems. Within this context, the congress supports the analysis contained in the main report concerning the significance of the Soviet-U.S. summit meeting and the possibilities [words indistinct] its resumption and the need to continue encouraging the most broad and active mobilization at the world level to halt and turn back U.S. imperialism's confrontation policy.

The congress praises the efforts of the Soviet Union to preserve peace and attain positive changes in the international situation, particularly the activity carried out in this concern by CPSU General Secretary Mikhail Gorbachev. His statement last January included a specific proposal to eliminate nuclear and chemical weapons within 15 years and prevent outer space militarization. This would reduce the danger of conventional warfare and represent an initiative that reflects socialism's firm will to achieve peace. It is fully supported by Cuban communists and all the Cuban people.

The congress reasserts the historical and indestructible nature of Cuba's friendship with the Soviet Union. The exemplary and deeply internationalist relations between our two countries represent an essential part of all our international activities. The strengthening and development of those links represents a permanent goal in our foreign policy. We underscore the fraternal links that unite our socialist countries, parties, governments, and peoples. We also state our strong will to strengthen these ties according to our people's common goals and interests. We also confirm the decision to work steadily to develop all the projects for integrating our economy with CEMA member-countries within the framework of the complex program aimed at stepping up and improving socialist economic integration, which represents a solid base for our development.

The congress underscores the leading role of the PCC in efforts exerted to strengthen its relations with communist parties throughout the world, as well as its participation in the international communist movement, where it will continue to support its internationalist positions and struggle to strengthen its influence and unity. The fraternal alliance with all the anti-imperialist and progressive forces active at the international level will continue to receive our party's maximum attention.

Likewise, the third congress affirms the justness of the policy applied in the development of a foreign policy that, based on unity, broad goals, and in accordance with our principles, allows us to combine efforts with other political forces, such as social democrats and others, to approach vital foreign problems such as those for peace, disarmament, and the right of the peoples to development.

The third congress confirms the Cuban revolution's unbreakable ties with the brother peoples of Latin America and the Caribbean with whom it is united in history, culture, and the battle against the common enemy to achieve true and final independence. Likewise, it shares the struggles and aspirations of the peoples of Asia and Africa who march along the path of independence, progress, and social change.

The Third PCC Congress, upon examining the development of the international situation in the past 5 years, has been able to prove the justness of the analysis made during the Second PCC Congress by Comrade Fidel regarding the dangers that threatened humankind after the extreme reactionary group headed by Ronald Reagan assumed the U.S. Government. Facts have clearly confirmed that analysis.

The U.S. Government's implementation of a fascist foreign policy based on militaristic and chauvinistic ideas and in open support for counterrevolution throughout the world has provoked a dangerous worsening of tension and an increase in the arms race and military measures and led to a halt in the process of international detente.

Simultaneously, the implementation of the Reagan group's ideas regarding economics at the international level has made the distressing situation endured by almost all Third World countries more unbearable and explosive. This truly world counterrevolutionary crusade has met with the firm resistance of the peoples and many groups who are determined to confront and defeat the aggressive and outdated policies of imperialism.

The third congress stresses the most combatant solidarity of our people for all those who, under difficult situations, have upheld and continue to uphold the banners of independence, liberation, justice, and defense of national dignity and sovereignty. It proclaims its admiration for the heroic firmness with which the Sandinist revolution is confronting the counterrevolutionary aggression promoted by the U.S. Government, giving a real example of what a patriotic people can do if they are convinced of their just cause, and reiterates its full support for the FSLN and the Nicaraguan revolutionaries and urges all the progressive and democratic forces of the world to redouble their solidarity with Nicaragua.

The third congress reaffirms its solidarity with the struggle of the Salvadoran patriots within the FMLN-FDR, patriots who have resisted and grown stronger, despite adverse conditions imposed. Today they have become a real army of the people, fighting against a subservient regime and a genocidal army that can maintain itself only because of the direct support it is receiving from the United States. With their heroism, intelligence, and fighting capacity, the Salvadoran patriots have destroyed the imperialist dreams of crushing the rebelliousness in that country.

The third congress supports the determination expressed by the top leadership of our country to contribute to the search for a negotiated solution to the Central American conflict, which must include a commitment on the part of the United States to renounce its aggressive actions against the Nicaraguan people and achieve a negotiated political solution to the war in El Salvador. It also reiterates its support for the positions maintained by the Nicaraguan Government and the FMLN-FDR. In this regard, the third congress underscores that the Contadora Group peace-making efforts, despite the group's weaknesses and instability, represent an expression of Latin America's growing desire that the sovereignty of its countries be respected, that its problems be resolved peacefully, without interference or orders from the United States, and that the right of each of these countries to choose its own political and social regime be respected.

The congress proclaims its unfaltering soldiarity with the Chilean patriots whose firm resistance against the bloody dictatorship, imposed and maintained by the full support of U.S. imperialism, will lead inexorably to the people's victory. It expresses its most definite solidarity with the growing struggle of the Haitian people against Duvalier's ignominious tyranny and condemns the brutal repression unleashed to curb their just desire for freedom. It extends its greetings to the people of Paraguay, who are confronting one of the longest dictatorships experienced by this continent.

The third congress reiterates its unwavering support for the struggle of the Puerto Rican people for their national independence. In the same manner, it expresses its solidarity with the Argentine people and their legal demands for their sovereignty over the Malvinas Islands.

The third congress views in a positive light the democratic processes in Argentina, Uruguay, and Brazil, which have ended a long era of repression and suffering of their peoples; it also greets the rise to power of a civilian government in Guatemala. For many years, its brave people and the revolutionary movement struggled and resisted the repressive military regimes, and today they have raised the banners of a negotiated political solution for their country. The third congress reiterates Cuba's support for Peru and its repudiation of the pressures of the United States.

Cuba will continue to exercise its solidarity with all those governments on our continent who, from a worthy position, assume the defense of the interests of their peoples and who oppose the imperialist policy of imposition and intervention. The congress underscores that Cuba will continue to work to expand the feelings of brotherhood and solidarity with the Latin American and Caribbean peoples and continue to promote the possibilities of economic integration as a means to achieve a Latin American and Caribbean community free of U.S. domination.

While analyzing the situation on the African Continent we can see the eager desire of imperialism and its privileged ally -- South Africa -- to undermine the progressive states grouped within the Frontline States and to crush the rebelliousness of the peoples who are still experiencing the terrible system of racial segregation and oppression.

The Cuban communists greatly admire and fully appreciate the South African people's increasing rebellion, which has led the racist regime to a deep and irreversible crises. We state our full solidarity with the African National Congress, which leads the struggle to eliminate this scourge of mankind, apartheid.

Ten years after achieving its independence, Angola represents a bastion of the African people's struggle for national liberation and social progress. All the maneuvers and aggressions of U.S. imperialism and the racists have crashed against the Angolan people's firm determination. The congress reasserts Cuba's unbreakable solidarity with the Angolan revolution and proclaims the Cuban Communists' pride given the close links which the blood that was mutually shed in defense of Angolan territory and the joint efforts exerted for the construction of a new life have forged between the MPLA-PT [Popular Movement for the Liberation of Angola -- Labor Party] and the PCC. The congress also reasserts its staunch support for the struggle being waged by Namibian patriots for their independence under the leadership of SWAPO [South-West African Peoples Organization], their only legitimate representative.

The third congress states its high esteem and recognition for the Frontline States, given the firm position they have maintained to counter the aggressions and maneuvers of the infamous regime of apartheid. It sends its message of solidarity and support to the Ethiopian revolution, which is advancing on a socialist path and has also countered the destabilizing aggressions and plans promoted by U.S. imperialism and reactionary circles, plus the terrible consequences of the natural calamities that have afflicted it and other African countries during recent years.

The congress reasserts its solidarity with the Sudanese people who, with the strong mass actions in the north and vigorous struggle of their guerrilla army in the south, broke the chains of the Numayri regime's tyranny. The congress expresses hope that the Sudanese people will be able to carry out the process of change that is being developed in that country.

Despite the distressing economic problems being withstood by all the countries in the region and the brutal pressures being exerted on them by U.S. imperialism, they maintain progressive attitudes and offer their solidarity to the liberation struggles in Africa and the world. We send them the Cuban Communists' greetings, and we particularly note the processes started in Ghana and Burkina Faso during such a complex phase of the international situation.

The congress reasserts its support for the Saharan Arab Democratic Republic and the struggle being waged by its heroic people to achieve liberty and independence.

The Palestinian problem remains unresolved in the Middle East. The United States continues to offer its unlimited support to the Israeli regime, which Reagan has defended as its strategic ally and which has unleashed a new, cruel war in Lebanon against the Palestinian resistance and the patriotic Lebanese forces. The third congress states its full solidarity with the just cause of the Palestinian people and supports their right to their own independent state. It also demands that the territories occupied by Israel be returned to the Arab countries. The congress advocates the call for an international peace conference in the Middle East, under UN auspices and with the participation of all interested parties -- including the PLO, the only legitimate representative of these people.

The congress notes its solidarity with the Socialist People's Libyan Arab Jamahiriyah, which is courageously countering the threats of aggression and economic boycott decreed by U.S. imperialism against that nation.

The congress has noted with concern the armed conflict that persists between Iran and Iraq, two nonaligned countries, and expresses hope that a just and honorable solution will soon be achieved to stop this war, which has already resulted in a high loss of life and material resources.

The Reagan administration's aggressive and warmongering policy has also manifested itself in Asia, as proven by its increased military presence in the Indian Ocean and provocative military maneuvers and exercises; its political and military support to counterrevolution; its pressures to achieve massive involvement of its allies in military commitments in the region; and the obstacles it creates to the negotiation and dialogue processes currently under way.

The third congress reasserts the brotherhood and solidarity that unites us with the Communists and heroic people of Vietnam, as well as the people of Laos and Cambodia, and states its hope that these nations will be able to develop in peace the construction of their new life. The congress confirms its support for the DPRK and its noble efforts to achieve the country's peaceful and democratic reunification; supports the statements included in the main report concerning the situation which has been created by the designation of Seoul as site for the next Olympic Games, ignoring the fact that the Korean nation is cruelly and artificially divided; and underscores the need to find an honorable solution to the crisis through talks between the north and south. Without this, our country will not go to the Olympics; participation in those Olympic Games would be inconceivable.

The congress asserts its solidarity with the process of social changes being developed in Afghanistan and reasserts that a political solution to the so-called Afghan problem could be possible in principle by stopping all imperialist interference in the country's internal problems and respecting its right to develop the political system it deems appropriate and live in peace.

The congress expresses its complete agreement with what was said in the main report on the positive events taking place in the policies of the People's Republic of China on international and bilateral matters but notes that that country's hostilities and aggressive actions against Vietnam are an obstacle to a true improvement of relations between Cuba and China.

The congress gives particular importance to the Nonaligned Movement as an influential factor in international life that plays an important role in the struggle for peace, independence, and change in international economic relations for the benefit of the peoples and declares that Cuba will continue to work in the movement to strengthen its unity and action capabilities. Our country's involvement as president of the Nonaligned Movement ended during the period between the second and third party congresses and the seventh summit conference that was held in New Delhi. Cuba and Comrade Fidel Castro put all their energy into its success. The third congress underscores our country's work in the leadership of the Nonaligned Movement, the constructive and democratic spirit that has guided our activities, and the efforts made to maintain its internal unity as a necessary requirement so that it may strongly influence international policies.

The congress has listened carefully to the main report's account of the Third World countries' dramatic situation, eloquently expressed in the huge growth of their foreign debts, and agrees about the need to wage a true battle in the field of the unfair international economic order imperialism has imposed. First in this battle is the cancellation of the Third World's huge foreign debt. As is mentioned in the main report, it is unpayable. The report also notes the struggle for the new international economic order, which is necessary to create the foundations of real independence, real sovereignty of under-developed countries, and the objective possibility of achieving social changes. The conclusion that the foreign debt is unpayable, as Comrade Fidel has said, is based on estimates and arguments that have not been refuted. On the contrary, there is less possibility of its being paid each day and each hour that goes by. Sooner or later creditors and debtors, including oil exporting countries which had hopes of being able to pay the gigantic debt, will come to this same conclusion.

A dialogue aimed at finding acceptable solutions for all the parties would be the most adequte way to face this very serious problem. Bit if this problem is not solved -- and this will not be done with simple remedies and traditional formulas -- we are sure that Latin America and other Third World regions will be the scenes of fairly generalized social explosions, which in many cases will have revolutionary characteristics. For Latin America and the Caribbean, the need to cancel the foreign debt and implement a new international economic order is complemented by the need to gradually improve regional economic unity, which imperialist domination has delayed. These moves are absolutely necessary for the economic and social development of the countries of the region.

The main report indicates that by proposing the cancellation of the debt, Cuba does not wish to bankrupt the international finance system. Resources for the rational solution of the Third World's foreign debt problem could come from the reduction of the huge military spending encouraged by imperialism. In this way a logical and inseparable tie will be established between Third World countries' economic development and the strategic and decisive problem of the struggle for peace and against the arms race.

The congress expresses its complete agreement with the analysis and proposals made by Comrade Fidel regarding the foreign debt problem, and it acknowledges the intense efforts made to create the necessary awareness in the countries, leaders, and personalities of all social levels which can and should participate in this historic battle for independence and the social and economic progress of the countries of the Third World.

The third congress reiterates that Cuba's foreign policy has been and will continue to be a true reflection of our situation as a socialist country: revolutionary, deeply indentified with the causes of Third World countries, and willing to maintain state relations with all countries based on mutual respect and sovereign equality. It underscores the uninterrupted widening of our country's diplomatic relations, which evidences the defeat of imperialist policies attempting to corner and isolate the Cuban revolution.

The congress gave special attention to the analysis of relations between Cuba and the United States. In examining this situation, it is noted that these relations have been at their lowest level since the present U.S. Administration came to power. The anti-Cuban policy the U.S. Government has maintained during the last 5 years has been extremely aggressive, reinforcing the immoral economic blockade, carrying out outrageous persecutions of our trade and financial operations, promoting subversive radio broadcasts, and maintaining constant aggressive threats and taking concrete stops in planning them, while maintaining the illegal occupation of the Cuban territory on which the Guantanamo naval base is located. Faced with the new threats those policies have meant for our fatherland, our revolution multiplied its defense capabilities.

The third congress reasserts that the Cuban Communists consider as historic the need for countries of the world, regardless of their social structure, size, or level of economic and social development, to maintain normal relations based on mutual respect and the principles of international law acknowledged universally.

In this sense, the third congress reiterates that Cuba maintains an unchangeable attitude in favor of a solution of the historic differences with the United States caused by the U.S. Government's hostile policy against our revolution and its reiterated conduct of aggression, destabilization, and, as a last resort, the destruction of the social system that our people gave themselves in a sovereign manner. This solution will have to be based on the strictest respect for our independence and sovereignty, once the United States decides to deal with us in a spirit of equality and mutual respect. This serious, responsible, and constructive position is based on the determination to fulfill a principle that will favor the cause of peace in our region and in the world.

At the same time, in the face of the imperialist policy of blockades and threats of aggression, the third congress proclaims the unrenounceable determination of the Cuban people, armed and organized throughout the country, to defend whatever the cost, the socialist revolution and its achievements, independence, dignity, right to life, and unfaltering patriotic and internationalist principles.

The third congress of the Cuban Communists expresses its highest regard for the work done by our first secretary, Comrade Fidel Castro, in the correct management of our party's and state's international policy. The successes achieved by Cuba in the international field, its growing prestige and influence, are closely linked to the leadership and untiring work of Comrade Fidel Castro. [applause] The third congress appreciates this extraordinary effort that has been very meaningful for our revolution throughout these years and reaffirms the determination of the party and all the people to continue forward, firmly united around Fidel, the Politburo, and the Central Committee, toward new victories of socialism and proletarian internationalism.

The Third PCC Congress entrusts the Central Committee with the implementation, direction, and control of this resolution.

Thank you. [applause]

[Station announcer] Dear listeners, we have brought to you the text of the resolution on international policy, read by Comrade Carlos Rafael Rodriguez, member of the Politburo, which was approved by the Third PCC Congress.

NICARAGUA'S DANIEL ORTEGA HOLDS NEWS CONFERENCE

PA070333 Managua Domestic Service in Spanish 0223 GMT 7 Feb 86

[News conference by President Daniel Ortega in Havana on 6 February -- recorded]

[Text] [Ortega] We appreciate the solidarity the Cuban people have given us. We are friendly peoples. Cuba and Nicaragua are sister nations. That is why we are participating in the Third PCC Congress, during which we already presented Nicaragua's message yesterday. I am ready to answer your questions.

[Name indistinct] Lopez, of ALLIED News Agency, formerly Catholic News of [word indistinct]. Mr President: Can you tell us if there is the possibility that [words indistinct] closing of Radio Catolica and the existing ban against the IGLESIA bulletin [words indistinct] Managua. Are there any plans to begin a dialogue with the Catholic bishops in Nicaragua on the increasingly disorganized relations between the church and state in Nicaragua in the near future?

[Ortega] I continue to emphasize that relations between the church and state in Nicaragua have not deteriorated. Nicaragua has many bishops and problems have arisen with one of the Nicaraguan bishops. Of the 9 or 10 bishops in Nicaragua, the problem is with the bishop of Managua, who is Cardinal Obando y Bravo. The state maintains normal relations with the other bishops in the various regions of our country. They are relations of cooperation, they are cordial, and there is no tension in any of the country's regions. From the standpoint of practicing religion, there are no problems regarding religious practices in Managua even though Cardinal Obando's political position opposes the Nicaraguan revolutionary process. The problem of Radio Catolica and the bulletin IGLESIA is related to violations of the country's established laws. The authorities in Bishop Obando's diocese themselves agreed that they had violated the laws. It is my understanding that anywhere in the world when laws are violated sanctions follow. That is the justification for the sanction for the violation of the law by those media in the Managua diocese. Regarding our dialogue with the bishops, we have taken the initiative of proposing a meeting with all the Nicaraguan bishops. Some of the bishops have trips on their agendas and therefore cannot be in Nicaragua. The meeting has not been held yet, but we expect it will take place soon.

[Wyman] Commander, Elizabeth Wyman of Radio Universidad, San Jose, Costa Rica. I have two very brief questions. Several weeks ago a Sandinist Air Force helicopter was downed over Nicaraguan territory by SAM-7 missiles. [Words indistinct] an irregular force, as would be the FDN [Nicaraguan Democratic Force] has such a sophisticated piece of equipment? I ask you to [words indistinct] in connection with this and with the -- quote -- humanitarian -- unquote -- aid from the United States. Second question: In Costa Rica an election just took place. It is known that the Costa Rican territory has been used many times as a springboard to attack Nicaragua. What do you expect of the new president, Mr Oscar Arias, with regard to this situation?

[Ortega] We have explained that when the U.S. Government decided to give those surface-to-air missiles to the mercenary forces it was establishing a dangerous precedent in Latin America, and not only in Latin America but in all of America. In the history of America, where irregular forces have operated from Canada to Chile, no irregular force has ever been equipped with this kind of weapon.

The United States has supplied surface-to-air missiles and has justified, or rather tried to justify, the mercenary forces' possessing this type of armament. When aid for the mercenary forces was approved at the U.S. Congress last year -- of course this was to be humanitarian aid -- we said that, by approving financing of the counterrevolutionaries through supposed humanitarian aid, the U.S. Congress strengthened a warmongering trend in the U.S. Administration and that it would not stop there. And, indeed, the U.S. Government delivered these surface-to-air missiles to the mercenary forces a few months later. Now, we see the U.S. Government, the U.S. President, requesting more funds, making efforts to get more money, this time for direct military aid to the mercenary forces [words indistinct].

Surface-to-air missiles appear in the first line of the list, [word indistinct] more surface-to-air missiles for the mercenaries. This is, therefore, a dangerous situation in which the U.S. Congress has been supporting this venturesome policy of the U.S. Government. Even the Congress' approval in the next few weeks of this new Reagan request of funds for the mercenaries [words indistinct] the situation in the region. Either we get close to peace if the U.S. Congress rejects this financing -- we hope this will create some conditions for peace so that the U.S. leaders will think it over and make efforts for peace -- or if this financing is approved, then surely even direct action and (?participation) of U.S. troops in Nicaraguan territory would be more likely.

Regarding Mr Arias' electoral victory in Costa Rica, we respect the type of regime that occurs in each country and we demand similar treatment for Nicaragua. On a number of occasions we proposed to the Costa Rican Government specific solutions to overcome the tensions created. For example, we have stressed the creation of a neutral or demilitarized zone along the (?border) with Costa Rica. Some progress has been reported during the latest meetings with representatives of the Costa Rican Government, meetings sponsored by France. Later, however, the United States did everything possible to prevent this from progressing. The United States wants to use Costa Rica as a base for aggression against Nicaragua. For this reason, we expect to make progress with the new Costa Rican Government in a framework of mutual respect for peace and seek a formula that will permit us to take specific steps for Nicaragua's and Costa Rica's tranquillity and security at the border.

[Moderator] [Words indistinct]

[Unidentified reporter] Mr President, your trip to Moscow precipitated or was the excuse for the U.S. Congress' approval for the so-called humanitarian aid for the contras. Do you feel that there is a risk that your trip to Havana for a PCC Congress will also serve as an excuse for U.S. military aid for the contras?

[Ortega] The truth is that the Reagan government always seeks a pretext to try to seek support for its terrorist campaign against Nicaragua. In this case, [words indistinct]. My trip to Moscow last year was manipulated by the U.S. Administration to try to seek the Congress' (?support) and have the funds for the mercenaries approved. We feel that this was just a factor manipulated by the administration.

The U.S. Administration had already launched a pressure campaign on the Congress. The aid for the contras would have been approved with or without my trip to Moscow. In addition, Nicaragua cannot limit its right to have relations with certain countries of the world and move freely as part of normal relations with these countries for fear of what the United States could say. Of course, having had this experience last year, we are here in this PCC Congress today. Before leaving Managua, I was fully aware that this trip could be mainpulated by the U.S. Government through the Congress to have the military aid for the mercenaries approved. Nicaragua, however, has a principled stance. it is a free nation, and, in this case. we will not sacrifice our friendly and brotherly relations with the Cuban people.

[Perez] This is Ezequiel Perez Martinez [words indistinct]. Good morning. Commander Ortega, I would like you to comment on the possible repercussions for Nicaragua of some of the presidential changes that have occurred in Central America recently.

[Ortega] Indeed, presidential changes have occurred in Guatemala, Honduras, and Costa Rica. We feel that this opens the opportunity to initiate a dialogue on a Central American level. Guatemalan President Vinicio Cerezo made a very specific proposal in Guatemala. We have accepted this proposal, as did some other Central American presidents there. We would say only the Costa Rican president-elect has not endorsed this initiative. Once this has occurred, [words indistinct] a meeting of all Central American presidents. This meeting has not been possible during the past few years.

For the past 4 years, it has not been possible to hold this meeting, even though there has been willingness on the part of Nicaragua. In fact, there have been initiatives on the part of Nicaragua, and the Contadora Group has also made efforts to bring about this meeting of Central American presidents, in which we could discuss our problems and try to find answers to them. However, U.S. policy has divided the Central American governments in that respect by stirring up conflicts and manipulating them. Thus, it has sabotaged this effort. But now there seems to be some hope that this meeting may be possible, and that we could hold a Central American dialogue.

[Unidentified EFE reporter] What role could Spain play in the (?solution) of the Central American conflict, and how do you evaluate the policy of Felipe Gonzalez in this respect, so far?

[Ortega] Spain has played an active role with respect to the Central American conflict, particularly because of the good relations it has with all the Central American nations and the good relations it has with the U.S. Government. Spain has communicated with the different countries involved in the conflict provoked by the United States in Central America. We consider the Spanish policy to be most active in that respect. As to the bilateral relations with Nicaragua, Spain's position has been constructive, and it has offered to cooperate with Nicaragua and help us. Recently we received the Spanish foreign minister in Managua, who repeated this willingness on the part of Spain to continue bolstering bilateral relations with Nicaragua and to continue the search for a peaceful solution of the conflict. Spain has been quite clear in rejecting pressure and threats as a solution to the Central American conflict.

[Second unidentified reporter] Mr President, recently it was reported that the United States, in its war against Nicaragua, is preparing or already carrying out bacteriological warfare against Nicaragua. Could you expand on this?

[Ortega] We have received information about tests they have been conducting in territories bordering Nicaragua -- in Honduras -- with bacteriological weapons, to be used later in Nicaragua to try to weaken the defense lines we have deployed along the border with Honduras.

These defenses are vital because they are impeding the efforts of the mercenary forces to penetrate our territory. In view of the mercenary forces' setbacks -- which to some extent affect Reagan's efforts before Congress, as he cannot at this time show a victorious, successful counterrevolution, and must accept the fact the counterrevolution is being defeated -- these plans have been put into action to try to penetrate our defense lines and open the door for the mercenary forces to enter our territory. So, they want to incorporate the bacterioligical weapon because of their inability to create such an opening with conventional weapons.

[Third unidentified reporter] Mr President, in the next few days, there is going to be a meeting, at the Nicaraguan initiative, of political parties from Latin America and the Caribbean. What is the purpose of this meeting [passage indistinct]?

[Ortega] Yes. From 10 to 12 February there will be a meeting of political parties and forces of Latin America and the Caribbean in Managua. Already approximately 110 delegations have confirmed their participation. It will constitute a wide-ranging Latin American representation of political forces, which, from the ideological standpoint, will be a [word indistinct] meeting to be held in Managua. We consider the meeting to be of special significance at a time when the United States is confronting Latin America, when the problem of the foreign debt is affecting Latin America economically, and when there is the problem of the reduction of oil prices. All of these things increase the already critical economic and financial situation of Latin America, and have a political effect on the region.

We feel the meeting will permit an extensive debate on these issues and encourage new actions throughout Latin America from the rank and file of these political partisan forces to bolster Latin American positions, to bolster the unity of Latin America, and to encourage more united action on the party of Latin America and the Caribbean in the face of common problems, like those now affecting the Central American region due to the U.S. terrorist policy, and those affecting all Latin America due to the economic and financial problems.

[Fourth unidentified reporter] Commander, how do you evaluate the internal situation of Nicaragua at the people's level, and to what extent do you think that the economic problems created by the covert war have stirred discontent [words indistinct]?

[Ortega] The economic problems are among the most serious problems facing our country, although the most dramatic situation affecting our country is the loss of Nicaraguan lives. The economic problems are closely linked to the problems affecting Latin America and the Caribbean in general, but which have a [words indistinct] the U.S. action to try to drown the Nicaraguan economy. The United States is doing this through direct actions, such as the economic embargo against our country, and through indirect actions, like pressuring, blackmailing, and threatening international organizations to deny funds to our country, or, as in the case with the IDB, to freeze funds that have already been approved. There are also pressures on other Latin American and European governments not to offer any cooperation to Nicaragua. All this makes our economic situation very critical. Besides, the United States thinks that an economic collapse would provoke discontent among the Nicaraguan people, and rebellion against the revolution would allow more direct action on the part of the United States. However, the U.S. rulers have guessed wrong because they have not taken into account the Nicaraguan people's anti-imperialist sentiment, which has enhanced national unity vis-a-vis the aggression and the economic crisis.

HAVANA CRITICIZES STATE OF THE UNION ADDRESS

PA061444 Havana International Service in Spanish 2310 GMT 5 Feb 86

[Nestor Nunez commentary]

[Text] In a speech that cannot surprise even the most naive observer, U.S. President Ronald Reagan has shouted from the rooftops that the United States has the sacred mission of supporting counterrevolutionary forces in all regions where, according to Washington, Yankee national interests are at stake.

That categorical statement cannot be more hypocritical. According to the White House, and as proclaimed in the fascist document known as the (?Stanford) plan, guide of the current government's foreign policy, Yankee security is at stake in the entire world, as befits a chosen country predestined to dominate an uncultured and indolent humanity.

Reagan's statements and his urging to grant all kinds of help to mercenary groups attacking Nicaragua, Angola, Cambodia, and Afghanistan show that U.S. foreign policy is swiftly moving toward the most clumsy fascism, and that ultrarightist ideas fully prevail in circles of power.

There is not much difference anymore between the claim by Adolf Hitler on the right role of domination of Nazi Germany over other peoples, kand Reaganite claims that so-called Washington vital interests are at stake in the entire world. Hence, military intervention, the murder of political leaders, and any terrorist actions deemed necessary are justified. The U.S. President's most recent statements also constitute an alert to those in the world who still believe in siren songs from the most powerful imperialist power in history, and in its alleged goodwill toward weaker nations.

PRESIDENT REAFFIRMS NONINTERVENTION PRINCIPLE

PA062115 Paris AFP in Spanish 2016 GMT 6 Feb 86

[Excerpt] Santo Domingo, 6 Feb (AFP) -- In a statement to the evening newspaper ULTIMA HORA, Dominican President Salvador Jorge Blanco said today that the Dominican Government will not support any kind of armed intervention in Haiti nor will it tolerate destabilizing actions in this neighboring country.

In this way, President Blanco reasserted his government's identification with the nonintervention principle and put an end to rumors that circulated in some circles saying that his country could participate in some type of armed solution in Haiti, the newspaper added.

Blanco said: "I ordered the common border closed on 31 January to prevent any actions against Haiti from our territory. We are firm believers in the principle of nonintervention and act accordingly."

He added: "We will not support any armed intervention against that country."

Haiti and the Dominican Republic share the island of Hispaniola. According to unofficial estimates, 400,000 Haitians -- 1,000 of them having the official status of political exiles -- live in the Dominican Republic.

BRIEFS

NATIONAL POLICE OFFICIALS PROMOTED -- Today, President Salvador Jorge Blanco swore in four national police officials who were promoted, two generals among them. Two generals were granted retirement for years of service. Rene Luna Perez and Armando Garcia Fernandez were promoted to the rank of general, and William Lora Espinal and Rafael Socorro Pallan were promoted to the rank of colonel. The presidential action is included in the Decree No 6686, which was released today. Garcia Fernandez and Luna Perez will direct the regional commands of the national police in San Pedro de Macoriz and Baraona, respectively. [Excerpt] [Santo Domingo Radio Clarin in Spanish 1600 GMT 29 Jan 86 FL]

HAITI

DUVALIER LEAVES; POSSIBLE SUCCESSORS MENTIONED

PA071215 Paris AFP in Spanish 1152 GMT 7 Feb 86

[Excerpts] Port-au-Prince, 7 Feb (AFP) -- According to rumors circulating here today, the succession of fugitive President Jean-Claude Duvalier will be guaranteed by a civilian-military junta that includes Lieutenant General Henri Namphy, Colonels William Regala and Max Valles, and civilians Alex Cineas and Gerard Gourque.

It has been indicated that of Duvalier's successors, Namphy is commander in chief of the Army, Col Regala his assistant, Valles is chief of the presidential police, Cineas is the labor minister, and Gourque, who is also being mentioned as the probable leader of the junta, presides over the Human Rights League.

Namphy Takes Over

PA071312 Madrid EFE in Spanish 1306 GMT 7 Feb 86

[Text] Port-au-Prince, 7 Feb (EFE) -- A National Government Council headed by General Henri Namphy has taken over the government of Haiti following the departure of President Jean-Claude Duvalier and his family.

Pledges to Respect Human Rights

PA071430 Madrid EFE in Spanish 1406 GMT 7 Feb 86

[By Ricardo Medina]

[Excerpts] Port-au-Prince, 7 Feb (EFE) -- President-for-Life Jean-Claude Duvalier left his country today and turned over power to a National Government Council headed by General Henri Namphy. Duvalier left the international airport named after his father, Francois Duvalier, at 0355 in the morning (0755 GMT) [as received] aboard a U.S. Air Force C-141 aircraft. The aircraft, which arrived from the U.S. Guantanamo base in Cuba, landed in Port-au-Prince at 0200 in the morning.

Communications abroad were cut off by military order at 0130 in the morning; they were resumed after the proclamation of the national government council. The civilian-military council is composed of Colonel William Regala, Colonel Max Valles, Gerard Gourge, president of the Human Rights League, and Alex Cineas, an engineer.

In his last address to the nation, Duvalier said on state radio shortly before the proclamation of the new government that "I am turning over power to the military to prevent a catastrophe."

At a ceremony which began at 0720 in the National Palace, General Namphy guaranteed Haitians that he will respect all human rights.

DUVALIER RECEIVES PERMISSION 'TO ENTER FRANCE'

PA071024 Paris AFP in Spanish 1017 GMT 7 Feb 86

[Text] Paris, 7 Feb (AFP) -- President Jean-Claude Duvalier has received permission to enter France "prior to going to another country," the French Foreign Ministry announced today.

MOROCCAN GOVERNMENT REFUSES TO RECEIVE DUVALIER

PA071034 Paris AFP in Spanish 1023 GMT 7 Feb 86

[Text] Rabat, 7 Feb (AFP) -- Morocco flatly refuses to receive Haitian President Jean-Claude Duvalier following his possible departure from power, an authorized source announced today in Rabat.

The U.S. CBS Television Network, quoting unidentified, secret Western sources, announced last night that the Haitian president would leave the country within 24 hours and would travel first to France and then to Morocco.

Authorized Morocco sources said that such a report "lacks any basis, and Morocco is not involved and no contacts have been made" to receive Duvalier.

BOMB SCARE AT U.S. CONSULATE; SEARCH NEGATIVE

PA061655 Paris AFP in Spanish 1638 GMT 6 Feb 86

[Text] Port-au-Prince, 6 Feb (AFP) -- There was a bomb scare this morning at the U.S. Consulate building in this capital, some 200 meters from the presidential palace, a U.S. spokesman has announced.

An anonymous telephone call announced the presence of a bomb in the area, which was evacuated, although a search by the security forces of the building did not yield any results.

Early each day hundreds of Haitians form lines in front of the consulate to obtain a visa to travel to the United States.

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DEFENSE MINISTER CARRANZA'S DEATH CONFIRMED

PY090236 Buenos Aires TELAM in Spanish 0232 GMT 9 Feb 86

[Text] Buenos Aires, 8 Feb (TELAM) -- Defense Minister Roque Carranza died tonight at 1930 from a heart attack at his residence in Campo de Mayo. This information was provided by Presidential Spokesman Jose Ignacio Lopez.

HALF OF FOREIGN DEBT INTEREST TO BE PAID IN 1986

PY080305 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 8 Feb 86

[Excerpt] Finance Secretary Mario Brodersohn has disclosed that this year Argentina will only pay half of the interest on its foreign debt and that it will renegotiate the other half. In submitting the draft budget to Congress today, the finance secretary said that funds brought into the country illegally would not be questioned and that no decision has been made regarding a tax on professionals.

CGT LEADER RESPONDS TO ALFONSIN SPEECH

PY072359 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2144 GMT 7 Feb 86

[Text] Buenos Aires, 7 Feb (NA) -- The CGT [General Confederation of Labor] this afternoon criticized certain aspects of President Raul Alfonsin's speech last night and reaffirmed its demands for a moratorium on the payment of foreign debt interests. The CGT also opposed the privatization plan.

CGT Secretary General Saul Ubaldini held a press conference during which he read a communique responding to official concern about international isolation as a result of the moratorium, asking "whether high interest rates, the economic protectionism of developed countries and the usurious demands of the banks do not constitute a virtual blockade."

As to the privatizations that the government had announced, the CGT indicated that "the plan calls for the sale of productive state-owned enterprises that are yielding profits under efficient management, which means surrendering enterprises of strategic value for the development of the nation."

CABINET SHUFFLE SPOTLIGHTS LIBERAL FRONT PARTY

Abreu Sodre New Foreign Minister

PY090125 Rio de Janeiro O GLOBO in Portuguese 8 Feb 86 p 1

[Text] The new ministerial Cabinet is practically ready. By late last night -- when a high-ranking source announced Roberto Costa de Abreu Sodre as the new foreign minister and Jorge Bornhausen as education minister -- only the social welfare minister was not yet appointed. Two representatives of the Brazilian Democratic Mobilization Party [PMDB] from Pernambuco are the most likely candidates for this ministry. They are Jose Paulo Cavalcanti, secretary general of the current justice minister, and Marcos Freire. Agrarian Reform Minister Nelson Ribeiro, who had already tendered his resignation, will remain. Civil Household Chief Jose Hugo will be industry and commerce minister. Vicente Fialho will head the recently created Irrigation Ministry. The great winner in this reshuffle is the Liberal Front Party. It has the largest number and the most important ministries. PMDB President Ulysses Guimaraes fears expressions of dissatisfaction within the party.

Abreu Sodre on Cuba

PY092334 Rio de Janeiro O GLOBO in Portuguese 9 Feb 86 p 3

[Excerpt] Sao Paulo -- Upon confirming his appointment as the new foreign minister, Roberto Abreu Sodre yesterday said: "I want Itamaraty to be involved in every topic concerning Brazilian foreign economic and political policy." He announced that he will meet today with President Jose Sarney "to discuss major topics concerning his ministry." Abreu Sodre added: "For the time being I am putting aside my personal views on subjects such as the resumption of diplomatic relations with Cuba and the Brazilian position on Angola. Although I will convey these views to the president, it will of course be the president himself who will set the guidelines to be followed by Itamaraty." He noted, however, that he favors the resumption of relations with Cuba. Abreu Sodre believes the Brazilian Foreign Ministry should take part in negotiations on economic topics such as the international coffee agreement and the export of Brazilian alcohol to the U.S. market.

Partial Cabinet List Noted

PY081750 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 8 Feb 86

[Excerpts] According to a report by Press Secretary Fernando Cesar Mesquita, this is the Cabinet to be sworn in on 14 February: Civil Cabinet, Marcos Maciel; Military Cabinet, Bayma Denys; National Intelligence Service (SNI), Ivan Mendes; Finance, Dilson Funaro; Planning, Joao Sayad; Industry and Commerce, Jose Hugo Castelo Branco; Interior, Costa Couto; Agriculture, Iris Resende; Mines and Energy, Aureliano Chaves; Irrigation Vicente (Cialli); Labor, Almir Pazzianoto; Transport, Jose Reinaldo; Communications, Antonio Carlos Magalhaes; Agrarian Reform, probably Nelson Ribeiro; Education, probably Celso Furtado; Urban Development, Denis Schwartz; Justice, Paulo Brossard; Administration, Aluizio Alves; Science and Technology, Renato Archer; Army, Leonidas Goncalves, Navy, Henrique Saboia; Air Force, Moreira Lima; and Armed Forces General Staff, Jose Maria do Amaral. The four remaining ministries -- Health, Education, Foreign Affairs, and Social Welfare will be decided upon during the Carnival holidays.

Culture Minister Resigns

PY080219 Brasilia Domestic Service in Portuguese 2100 GMT 7 Feb 86

[Excerpt] Culture Minister Alusio Pimenta today tendered his resignation to President Jose Sarney. Pimenta said that it was a clean and cordial farewell and in changing the subject he referred to his plans as candidate to the constituent assembly.

SYMPATHY EXPRESSED FOR MEXICAN DEBT POLICIES

PY071443 Madrid EFE in Spanish 1549 GMT 6 Feb 86

[Text] Brasilia, 6 Feb (EFE) -- Citing government sources, the daily CORREIO BRASILIENSE today published an article stating that the Brazilian Government is alert to the possible request by Mexico for a moratorium on its foreign debt. The sudden drop of oil prices in the international market puts Mexico in a critical situation, the article says, adding that Mexico will require at least $10 billion to compensate for the losses in the oil trade, since crude is now priced at $15 per barrel. CORREIO BRASILIENSE states that Finance Minister Dilson Funaro is in permanent contact with the Mexican Ambassador to Brazil Antonio Icaza.

Brazil will assume a position of solidarity with Mexico and Venezuela next week, when the foreign ministers of these three countries and of other Latin American countries will participate in a meeting with U.S. Secretary of State George Shultz. Mexico's foreign debt totals $94.407 billion, out of which $71.552 billion is to foreign private banks, according to the IDB statistics. Brazil, which has a $104-billion debt, one of the largest among developing countries, is waiting for a new round of talks to renegotiate part of the debts due in 1985 and 1986, some $15 billion. Venezuela has a $35 billion foreign debt, out of which $24.951 billion is to foreign private banks, according to the IDB information.

SENATE PRESIDENT TO VISIT CSSR, ROMANIA

PY062339 Brasilia Domestic Service in Spanish 2100 GMT 6 Feb 86

[Text] Senate President Jose Fragelli will heave for Czechoslovakia and Romania on 14 February in response to an invitation by those countries. Senator Fragelli, who will head a delegation of eight senators, is scheduled to return to Brazil on 27 February in order to open the 1986 congressional session on 1 March.

Fragelli will be accompanied by Senator Marcondes Gadelha, Brazilian Democratic Mobilization Party [PMDB] representative for Paraiba; Cid Sampaio, PMDB representative for Pernambuco; Jose Ignacio Ferreira, PMDB representative for Espiritu Sautos; and Itamar Franco, PMDB representative for Minas Gerais; also by the following deputies: Jose Freire, PMDB representative for Goias; Tidei de Lima, PMDB representative for Sao Paulo; and Nelson Morro, Social Democratic Party representative for Santa Catarina.

'SUBVERSIVES' ARRESTED IN VINA DEL MAR 7 FEBRUARY

PY081251 Santiago Domestic Service in Spanish 2200 GMT 7 Feb 86

[Relay from Valparaiso]

[Excerpts] Personnel of the Valparaiso National Intelligence Center [CNI] and Carabinero forces have broken up a military group of the proscribed Communist Party with the arrest of five [as heard] subversives. This was announced a few minutes ago by the Valparaiso intendency through its Cabinet chief, Captain Guillermo Toledo Leal.

[Begin Toledo Leal recording] The Intendency of the Fifth Region wishes to inform the public of the following:

Personnel of the CNI have placed seven subversives, belonging to a military group of the proscribed Communist Party, at the disposal of the Valparaiso military prosecutor and Carabinero forces. These people were planning a series of acts of violence in this zone to cause unrest among the people of Vina del Mar during the coming music festival. Their plans included a series of attacks with explosive devices to various tourist attractions in this city. Arms, ammunition, explosive devices, first aid equipment, and plans on the terrorist acts to be perpetrated were found in the terrorists' possession.

These are the terrorists placed at the disposal of the military prosecutor:

Leonardo Lautaro Ugalde Gonzalez, 28, identity card No 7,925,269-4, active member of the Communist Party. He held the post of military instructor in the Communist Youth. Miguel Angel Bernardino Cabrera, 19, identity card No 8,157,138-4. Active member of the Communist Party. He held the post as head of the Communist Party Military Group. Magdalena Marisol Flores (Jarro), 22, identity card No 8,557,527-9. Active member of the Communist Party. She was in charge of the warehouse for the storage of documents and explosives. Alejandro Manuel Barriga Travna, 18, identity card No 10,229,552-k. Active member of the Communist Youth. Member of the Communist Party Military Group. He acted as courier for the Communist Party, transporting documents, explosives and other materials.

Patricio Fuentes Gomez, 26, identity card No 7,977,006-9. Member of the Communist Party. He was instructor of the Communist Party Military Group. At the time of his arrest he was acting as instructor of subversive knowledge to Communist Party members, especially regarding the use of arms and explosives. Jessica Gimena Araya Fernandez, 20, identity card No 10,410,208-5, member of the Communist Party and member of the group in charge of paramilitary training of the Communist Party Regional Committee. Maria Isabel Oviedo (Urbina), 19, identity card No 10,381,145-7. Member of the Communist Youth. She was in charge of the education commission of the military leadership of the Communist Youth. [end recording]

BOMB DEACTIVATED NEAR VINA DEL MAR HOTEL

PY082324 Paris AFP in Spanish 2147 GMT 8 Feb 86

[Text] Vina del Mar, 8 Feb (AFP) -- Security agents today deactivated a powerful bomb planted in front of the hotel where singers in the Vina del Mar song festival are staying. Vina del Mar is located 140 km west of Santiago. The bomb was placed inside a car parked near the O'Higgins Hotel. Several reporters staying in the hotel observed the quick deployment of agents.

Police sources stated that the powerful bomb, which was made of plastic explosives, would have caused possible deaths and considerable damage if it had exploded.

The presence of the bomb was detected when some pedestrians noticed a suspicious automobile had been parked just minutes earlier, and alerted the authorities. In addition to the security agents, forces of the Carabineros military police also participated in the operation to deactivate the bomb. They first cordoned off the area accompanied by trained dogs. Two photographers who were photographing the incident were detained but released minutes later.

The incident occurred after authorities announced the detention of members of the proscribed Communist Party, who were accused of trying to sabotage the Vina del Mar festival. The festival, in which composers and singers of more than 10 countries are participating, ends on Tuesday, 11 February. Among other artists, the following singers were scheduled to perform tonight: Mexican Luis Miguel, Spaniard Paloma San Basilio, and the Austrian group Opus.

MDP LEADER REPORTS TALKS WITH OTHER PARTIES

PY081728 Santiago Radio Chilena in Spanish 1600 GMT 7 Feb 86

[Excerpts] Popular Democratic Movement [MDP] President German Correa has reported that the government has launched a campaign against labor, student, and teacher organizations to silence their protests. He also spoke about the talks that the MDP has held with the Socialists, Radicals, and Republicans, as well as about the fall of Jean-Claude Duvalier, the Haitian president-for-life. [passage omitted

[Begin Correa recording] We are very optimistic about these talks because we believe that they represent a very important step in this process. We believe that the Radical Party's willingness to talk with us is very important. This party has demonstrated great consistency throughout the historic struggle for democracy by the Chilean people.

In turn, we are facing these talks with broadmindedness and generosity, with the firm purpose of discussing all the points we have in common and our disagreements, and with the will to reach a consensus. We believe that if the talks continue on the main issues we had proposed to the Democratic Alliance, which include a social mobilization plan and the basis for a future provisional government, we will be able to comply with the Chilean people's wishes.

GOVERNMENT ADOPTS NEW MEASURES AGAINST INFLATION

PA091933 Hamburg DPA in Spanish 1616 GMT 9 Feb 86

[Text] Bogota, 9 Feb (DPA) -- President Belisario Betancur has adopted 23 new economic measures in the past few hours to deal with the "spiraling inflation" that is foreseen as a result of this year's international coffee bonanza.

From this bonanza, Colombia expects to receive a total of $3.2 billion in 1986 after 2 years of financial and budget difficulties. This bonanza is a result of serious damage caused in Brazil by the long drought in vital coffee regions. Brazil and Colombia are the world's main coffee producers.

The new measures, approved in long work sessions held by Betancur and his Cabinet, include:

An eight percent tax on the import of agricultural machinery is eliminated, which will reduce agricultural costs.

Port charges for the handling of imported fertilizers were decreased by $9 per ton. They went from $29 to $20.

The import of heavy equipment for the transport of cargo, especially food, is authorized.

The monthly figure for the import of supplies and raw materials that are indispensable for the country's general productive system was increased by $50 million.

The payment of $110 million for a debt that was past due because of a lack of foreign exchange was authorized. Several sectors with debts abroad are making this payment.

Monetary measures to prevent (and even reduce) the excess money in circulation in the country will be implemented. These measures will prevent a large circulation of money from notably increasing the demand for products and services and, in the last instance, an increase in prices.

In addition, Rodolfo Gonzalez Garcia, the country's comptroller general, warned the government and the country that Colombia runs the risk of having to import large quantities of food and thus lose the benefits of the coffee bonanza.

PLANE ALLEGEDLY CARRYING CONTRA SUPPLIES LANDS

PA080216 Paris AFP in Spanish 0031 GMT 8 Feb 86

[Text] San Andres Islands, 7 Feb (AFP) -- A U.S. airplane that was supposedly transporting military aid for the anti-Sandinist guerrillas, left this Colombian island today where it had made an emergency landing this morning.

The brown and silver DC-4, with registration number N46216 and six occupants of various nationalities, experienced problems with its electrical system when it was forming part of a group of planes traveling from Miami to Costa Rica, according to reports of the Colombian news agency COLPRENSA and the Radio Cadena Nacional network.

The airplane landed in San Andres shortly before 1200 GMT and the local authorities immediately isolated it in a sector of the airport and began questioning the occupants whose passports were seized.

Although it had initially been reported that the plane was carrying weapons, supplies, and other articles destined for the Nicaraguan "contras," the high military command of the island and the customs office denied the report, saying that the shipment was made up of medical supplies for Costa Rica.

Nevertheless, Captain Miguel Perez of the customs office told COLPRENSA that ropes, camouflage fatigues, canteens, slickers, bandages, and other medical supplies were on the airplane.

After carrying out the necessary procedures with the Colombian Foreign Ministry in Bogota and making the necessary repairs, the DC-4 left for Miami at 2300 GMT and not for San Jose as its crew had planned.

The crew is comprised of Canadian pilot Lester Ronald, Uruguayan Reti Reoch, Haitian Juan Gomez, Salvadoran Luis Yoaman, Chilean Miguel Olivo, and Argentine Olivier Pierre.

It must be pointed out that this incident took place almost simultaneously with last night's arrival in San Andres of 11 Miskito Indians headed by anti-Sandinist leader Brooklyn Rivera who were accompanied by three officials of the World Indian Movement and a U.S. NBC reporter.

All of them sailed for a week after escaping from Sandinist bombings in Nicaraguan territory near the border with Honduras during which seven people, including three assistants of reporter Martin Roberts, presumably died.

Government Denies Contra Aid Aboard

PA081905 Madrid EFE in Spanish 1837 GMT 8 Feb 86

[Text] Bogota, 8 Feb (EFE) -- The Colombian Government denied today that a U.S. - registered airplane that made an emergency stop on the Caribbean island of San Andres last Thursday was carrying arms and ammunition for the Nicaraguan anti-Sandinist guerrillas.

An official Foreign Ministry note states that the airplane, a DC-4 registered with the numbers N48216, landed on the Colombian archipelago due to mechanical failure, and that the authorities gave them the aid established by international law.

Official sources in San Andres, a Colombian island territory located a little over 200 km from Nicaragua's eastern coast, speculated about the airplane's cargo and pointed out that it could have been carrying supplies to the anti-Sandinists.

The official note states that "military authorities confirmed that the plane was not carrying weapons or ammunition," so it was allowed to depart once the necessary repairs were completed on Friday night. It headed toward Miami.

WOUNDED MISKITO INDIANS ARRIVE IN SAN ANDRES

PA072056 Madrid EFE in Spanish 1915 GMT 7 Feb 86

[Text] San Andres 7 Feb (EFE) -- Official sources reported today that a boat with seven Nicaraguan Miskito Indians, four of them wounded; with three U.S. citizens, and one Canadian, arrived last night at the Colombian island of San Andres in the Caribbean.

According to the Radio Cadena Nacional (RCN) correspondent on the island, Brooklvn Rivera, leader of the Nicaraguan Indian group "Misurasata" [Miskito, Sumu, and Rama Sandinist Unity], reportedly could be one of the members of the group.

Rivera is the top leader of Misurasata, which groups the Miskitos, Sumus, and Ramas of the Nicaraguan Atlantic coast.

One of the three U.S. citizens, whose name was not released by the authorities, is a reporter, reportedly from the NBC television network, who brought along abundant material filmed in the Nicaraguan war areas.

The 11 refugees arrived on the island in a boat with an outboard motor, and stated that they had escaped from Nicaragua due to the situation "of conflict" in the Atlantic coast of Nicaragua.

Dr Alvaro Jaramillo, from the Santander Hospital on San Andres Island, has identified the four wounded Miskito Indians who received medical assistance at the hospital as Samuel Enrique Sandrum, 42, David Rodriguez Gaitan, 23, Bernardo Solis Ramirez, 17, and Ernesto Peralta, 19.

Two of the wounded men remain in Santander Hospital because their wounds are "very infected," the doctor said.

The remainder, whose identities were not disclosed by the authorities, are at police headquarters in San Andres, but according to the police commander, Mayor Jose Jairo Idarraga, "they are not under arrest."

Inside the boat the police found weapons, ammunition, bullet-proof vests, televison and photographic cameras, water, and food.

According to David Rodriguez Gaitan, one of the wounded men, they fled from Nicaragua at the end of January and were pursued by the Sandinists.

The Colombian radio station Radio Cadena Nacional also reported that Rodriguez Gaitan accused the Sandinists of bombing them when the boat was sailing on Guayacil Lake near the Nicaraguan port of Prinzapolka, several days ago, and that in this attack two U.S. journalists and five other persons were killed.

The 11 refugees will be transferred in the next few hours to the Administrative Department of Security, DAS, Immigration Section, according to Guillermo Cabrales Vargas, DAS director in San Andres.

The official stated that the DAS is waiting for the authorities from the Colombian Foreign Ministry and from the U.S. Embassy to arrive in San Andres to resolve the refugees' situation.

To Depart for Costa Rica, U.S.

PA080258 Paris AFP in Spanish 0144 GMT 8 Feb 86

[Text] San Andres, Colombia, 7 Feb (AFP) -- Eleven Miskito Indians, a U.S. journalist and three delegates of the World Council for Indigenous Peoples, who took refuge on this Colombian island in the Caribbean last night after escaping from Sandinist bombing in Nicaragua, will leave tomorrow, Saturday, for Costa Rica and the United States.

During the bombing, seven people were killed, including three assistants of U.S. reporter Martin Roberts of the NBC television network, according to statements made by Roberts to the local press.

"I am afraid that one of my colleagues and two cameramen were killed in the attack. This is the most bitter experience of my life," the U.S. reporter said.

Roberts said that he and his deceased colleagues had been invited to "an informative adventure in Central America," along with Glenn Chartier, president of the World Council for Indigenous People of UNESCO, Bruce Means of the American Indian Movement, and Hans Adams of the Association for Indian Survival. The reporter explained that they entered Nicaragua across the Costa Rican border. As they were meeting with anti-Sandinist Miskitos in the town of Prinzapolka, their presence was detected by the Nicaraguan Army, which immediately began to bombard them, forcing them to flee, Roberts said.

The Indians, including one of their principal leaders, Brooklyn Rivera, and the four foreigners, hurriedly boarded a fragile outboard motor craft in the area of Yasica, and headed first toward Honduras. However, Honduran Coast Gurad barred their entry and ordered them to return to the open sea, where upon they then headed for Costa Rica.

Roberts added that Nicaraguan aircraft attacked them again during the crossing and wounded four of them. This forced them to finally head for the Colombian archipelago of San Andres.

Roberts also said that he succedded in keeping a considerable part of the film exposed during the 10 days that he stayed in Nicaragua's 1st special zone, where Sandinist troops and counterrevolutionaries fight without quarter.

Upon arriving in this Colombian possession in the Caribbean last night, the fugitives were immediatley assisted by local authorities. Miskitos David and Samuel Rodriguez, as well as Ernesto Peralta and Bernardo Solis, whose bullet wounds had become infected and ulcerous, were hospitalized in Santander.

Declining to make detailed commentaries about the struggle waged between the Sandinists and the Miskitos who support the "contras" in his homeland, Rivera expressed appreciation for the official attention that he received here and said that he has been authorized to fly to San Jose with the other "refugees" tomorrow in a scheduled flight of the Colombian airline SAM.

It has also been reported that the indigenous delegates and the journalist will leave for the United States as soon as they make airline connections.

We must keep in mind that Rivera, well-known leader of the Misurasata [Miskito, Sumu, and Rama Sandinist Unity] organization that includes the Nicaraguan Indian communities that oppose the Sandinists, visited the Colombian capital several times to hold peace talks with the Managua government on the urgings of President Belisario Betancur's government.

Not long ago and with the same purpose, Rivera met here in San Andres with the Colombian president and a representative of the Daniel Ortega government.

PRESIDENT DECREES STATE OF EMERGENCY IN LIMA

PY080249 Paris AFP in Spanish 0209 GMT 8 Feb 86

[Text] Lima, 8 Feb (AFP) -- Peruvian President Alan Garcia tonight decreed a state of emergency in Lima and the neighboring port of Callao and levied a curfew in the area. He also ordered the Armed Forces to maintain order in the zone.

Armed Forces 'Taking Control'

PY081342 Lima Radioprogramas del Peru in Spanish 0450 GMT 8 Feb 86

[Excerpts] Even before the decree declaring a state of emergency in Lima and Callao (?has been released), the Army is taking control of the city. The curfew, announced by President Alan Garcia, will be imposed as soon as the government decree is published in the OFFICIAL GAZETTE.

The Armed Forces Joint Command has released a communique, announcing that it is assuming control of the city in accordance with Government Decree No 002/86 of 7 February. The following constitutional guarantees have been suspended: the immunity of homes; the free choice of place of residence and the right to move freely within the territory of the nation; the right to freely leave or enter the country; the right of peaceful meetings of unarmed people; and the disposition that no one may be detained except by written order of a judge explaining the reasons for the detention, unless taken by the police while committing a crime.

It was announced in the communique that the Armed Forces Joint Command has given the appropriate orders for control.

A Government Palace spokesman said that the curfew will be imposed as of 0000 Monday, 10 February, and that it will be in force until 0600. The decree establishing the curfew will reportedly be published today in the OFFICIAL GAZETTE.

Curfew Restrictions

PY100048 Paris AFP in Spanish 2128 GMT 9 Feb 86

[Text] Lima, 9 Feb (AFP) -- A curfew designed to stop the wave of terrorist violence in Peru will go into effect in Lima and in the adjacent port of El Callao beginning tomorrow, 10 February, from 0100 to 0500 local time. A military spokesman stated here that the military troops have orders to fire at anyone acting suspiciously.

The curfew is the most drastic measure taken by the social democratic government of President Alan Garcia within the 60-day state of emergency with suspension of constitutional guarantees it has instituted in the above cities.

An escalation of terrorist violence unleashed in the past 40 days by the Shining Path and Tupac Amaru Revolutionary Movement (MRTA) has resulted in 150 attacks that left 71 dead.

A few hours before the curfew went into effect, the Armed Forces Joint Command today imparted several instructions to the people to avoid tragic incidents during the state of emergency:

Only persons carrying safe-conduct passes issued by military authorities may circulate during the curfew.

Those driving vehicles during the daily 4-hour curfew must keep the inside lights of their vehicles on and must drive no faster than 40 kph.

If for some emergency reason one has to leave his home during the curfew, he should walk in the middle of the street carrying a white cloth and identification documents.

The Joint Command also noted that under the state of emergency the people must abide by the following rules:

No one may carry arms or explosives.
Meetings of more than four people are prohibited.
If commanded by security personnel to stop, one should stop; if one is driving, one should also stop immediately.
Everyone should carry identification documents at all times.

Guarantees suspended under the state of emergency are: requirement of court orders for house searches, freedom of movement, freedom of reunion, arrest warrants, and freedom to choose one's own residence.

To Fire at Violators

PA081543 Hamburg DPA in Spanish 1444 GMT 9 Feb 86

[Text] Lima, 9 Feb (DPA) -- The curfew established in Lima and in the port adjacent to Callao will begin this Monday 10 February between 0100 and 0500.

The Peruvian Armed Forces Joint Command announced today that the curfew will be enforced every day during these hours, throughout the duration of the state of emergency implemented since yesterday, which has suspended the individual citizens rights contained in the constitution.

President Alan Garcia Perez' government decreed the state of emergency in Lima and also in Callao, which has approximately 6 million inhabitants, as a security measure in response to the increasing wave of terrorism in both cities.

The Armed Forces has taken over military and political control of security in Lima and Callao, with the support of the police forces, the Joint Command reported.

It was reported in Lima that the Peruvian Army, Navy, and Air Force intelligence services have detected areas of the capital city that could be hideouts for militants of the extremist groups Shining Path and Tupac Amaru Revolutionary Movement.

During the 4 daily hours of curfew, the military will carry out an operation in the areas under suspicion of being subversive garrisons to capture terrorists.

Movement during the curfew is absolutely prohibited to citizens in Lima and Callao, except in cases where a safe-conduct has been granted.

Military spokesmen have advised that the troops from the Army, Navy, and Air Force have orders to fire at anyone who does not obey the curfew restrictions, does not stop when ordered to, or tries to escape.

SHINING PATH THREATENS TO KILL ALAN GARCIA

PY090158 Paris AFP in Spanish 0115 GMT 8 Feb 86

[Text] Ayacucho, 9 Feb (AFP) -- The Shining Path Maoist guerrillas have threatened to kill President Alan Garcia when he visits this city. They made this announcement in a document they submitted to correspondents of Lima newspapers.

The Shining Path document begins by affirming the victorious campaign of their forces and the assurance of achieving victory under the guiding thoughts of President Gonzalo (nom de guerre of its leader Abimael Guzman). It then terms false the promises made by the social democratic government of Alan Garcia who claimed to be democratic, popular, and defender of popular justice, the document adds.

Now he has offered to come to our city to tell more lies, the document states, and notes that the people of Ayacucho cannot forget the blood shed by your brothers or the murders of Accomarca, Bella Vista, Amaru, Aucayacu, and the cowardly massacre of Lurigancho. But, the PCP-MLN (Shining Path's official name) will take action and Garcia will be annihilated as soon as he steps down into our city, the document concludes.

An attached list includes 11 authorities and personalities from Ayacucho threatened with death, including the prefect, the provincial prosecutor the mayor, and an official of the state television channel. Ayacucho, located 575 km southeast of Lima and main focus of the Maoist guerrilla, today was enjoying the happy day of carnival, however.

WAGNER, COLOMBIA'S RAMIREZ SIGN JOINT STATEMENT

PY081812 Lima Panamericana Television Network in Spanish 0200 GMT 8 Feb 86

[Text] Peruvian and Colombian Foreign Ministers Allan Wagner Tizon and Augusto Ramirez Ocampo, respectively, have expressed, in a joint statement, their condemnation of terrorism and all forms of violence; they also confirmed their determination to intensify the repression of drug trafficking.

The signing of the joint communique was the culmination of the talks between the two foreign ministers, during which they reviewed the development of Colombian-Peruvian relations. Both of them agreed on the need to promote bilateral relations and regional integration.

In the joint statement, they stressed the importance of the OAS reorganization process for an agreement proposed by President Alan Garcia.

[Begin Wagner recording] I am certain that everyone will agree on the importance of this meeting, I am sure it will give a new dimension to Peruvian-Colombian relations, within the traditional friendship of these relations, a new dimension characterized by still closer links between our countries, which are already closely united. These links have their origin in our common condition of being Andean, Amazon, and Pacific coast countries, and also in our unwavering identification with the Andean Group and the Latin American countries. We are aware that this integration of our peoples is a historic and constant task, which we must strive for, whatever transformations this process might imply. [end recording]

[Begin Ramirez recording] There is a new dimension in the bilateral relations between Colombia and Peru. I would also like to express my deep admiration for President Alan Garcia. The visit we paid him again served to show his very great capacity as a leader, and the strong and clear leadership with which he guides Peru toward better goals, and the way in which he is consolidating, in peace, an active democracy with the participation of the nation. We in Colombia are admiring this process and observe with satisfaction the great number of ideas he has put into motion in the hemisphere, and we hope that they will be fully realized in a short time. [end recording]

RAMIREZ OCAMPO URGES ANDEAN INTEGRATION

PY071932 Paris AFP in Spanish 2237 GMT 6 Feb 86

[Text] Lima, 6 Feb (AFP) -- In the presence of about 40 ambassadors accredited in Lima, who gathered at the central office of the Andean Pact, Colombian Foreign Minister Augusto Ramirez Ocampo today reasserted the integrationist position of his government, and proposed urgent measures to reactivate the Andean Pact.

The Colombian foreign minister spoke today at noon during a meeting attended by his Peruvian counterpart Allan Wagner, the members of the Cartagena Consensus Board, representatives of the Latin American organizations, numerous diplomats, and other officials.

Ocampo's visit to the Andean Group was the main activity of his second day in Peru. Yesterday he was received by President Alan Garcia, to whom he handed a personal message from Colombian President Belisario Betancur.

Emphasizing the importance of Andean integration as a means of development, Ramirez said that political stability and the democratic processes cannot coexist with an economic development crisis. Integration, he added, is becoming a testing point for the survival of the democratic processes in Latin America.

Moreover, he proposed that an Andean parliament become the main organ for the integration process, instead of being an esoteric reflex of intellectual and technocratic elites.

The Colombian foreign minister also proposed two measures to revive the Andean Pact, which he said resembles a dead sea due to the fact that the crisis of the process concides with a reorganization state. For this reason he believed that the Cartagena Consensus modifying protocol should be approved without further delay at the meeting of foreign ministers to take place in the Galapagos Islands on 20 March.

Another measure he deems urgent and inevitable is the creation of an emergency procedure to promote trade among the member-countries. He stressed that the ratification of the new Andean Pact may take 1 or 2 years; therefore, it is necessary to take measures that prevent the paralyzation of trade in the region during this period. Ramirez asked the board of the Cartagena Consensus to work out the measures for this emergency plan, so that it can be submitted to the integration ministers who will meet in Caracas in 2 weeks, and to the agreement commission which will meet in Santa Cruz, Bolivia, at the end of February.

Board coordinator Pedro Luis Echeverria, who welcomed Ramirez, said that to revive the integration process a new agreement among the chiefs of state will be necessary. Integration is necessary to achieve economic growth, to ensure the future of democracy, to defend sovereignty, and to grant international importance to the Andean Pact, he said.

WORKERS REJECT GOVERNMENT 18 PERCENT PAY INCREASE

PY061844 Montevideo Radio Carve in Spanish 0000 GMT 6 Feb 86

[Excerpts] The government has confirmed that there will be an 18-percent salary increase for the private sector on 1 February. This was announced by the labor and social welfare minister who today met for 3 hours with the economy and finance minister, the planning and budget director, and the presidents of the chambers of Industry, Commerce and Trade, as well as with the presidents of the Interunion Workers Plenum [PIT] and the National Convention of Workers [CNT]. Labor Minister Hugo Fernandez Faingold also announced that salaries will be negotiated by wage councils beginning in June and that the increased salaries approved by these councils will be in force for more than 4 months. Minister Fernandez said the following about the discussions of the superior salary council:

[Begin Fernandez recording] The executive branch decided to adopt a salary policy that will last until June 1987, with the objective of maintaining the real salary of workers. The salary councils will work under two guidelines: 1) that the salary increase should be in effect for more than 4 months; and 2) objective criteria for salary adjustments should be established. [end recording]

Meanwhile, the PIT-CNT has rejected the salary increase authorized by the government, announcing that it will study the possibility of staging a 24-hour general strike. This measure of force will be considered by the delegates from the entire country during a meeting on 22 February. Richard Reed and Victor Rossi explain the workers' position regarding the 18-percent increase:

[Begin recording] [Richard Reed] Well, the executive branch -- through the economy and labor ministers, as well as the planning and budget director -- has passed a decree without allowing any discussion and offering what they call an increase of 18 percent as of 1 February in what seems to us a salary reduction.

It has also made an 18-month salary proposal that begins by adjusting salaries in June according to the inflation rate. The increase would be 90 percent of the estimated 16 or 17 percent inflation rate. However, if the inflation rate were to be high, they would only grant an 85-percent increase of the actual inflation rate. This amounts to a proposal to lower our purchasing power. They are proposing that if on 1 October 1985 we bought 1 kilo with 100 pesos, today we should buy 780 grams with the same 100 pesos. This means a return to the times of the dictatorship, a period which the worker managed to overcome through great sufferings, with a minimum recovery based on our effort and mobilizations. Now, through a decree, our purchasing power is taken away from us, to the detriment of the Uruguayan worker's family.

We reject this proposal because it is not fair to the workers. We say that it does not benefit the country and it will affect national industry, the traders and the small businessmen because there will be little purchasing power and little demand for products. Therefore, we workers demand a 30-percent salary increase as of 1 February and the immediate restoration of tripartite [government, workers, employers] -- salary councils for every trade or labor sector, in keeping with ILO guidelines and the provisions of Uruguayan law.

[Unidentified reporter] Will this provoke mobilizations by the labor sector?

[Rossi] Well, as Richard Reed has said, the government-ordered salary reduction is an imposition by interests that are not in keeping with those of the Uruguayan people.

which not only represents a decrease in the workers' purchasing power, but also means risking the chances for national economic development as well as the beginning of a new stage in democracy which will be affected by the social harm that this decreee will probably bring. The PIT-CNT will discuss this decree tomorrow to adopt appropriate measures which could include a meeting on 22 February of all national labor leaders to decide on the measures for the whole labor sector. We also intend to request the support of other social sectors such as the small- and medium-sized farmers, the industrial sector, traders, retired people, and others who are affected by this economic policy. It is indispensable that they support the PIT-CNT mobilizations in order to impose a change on this economic policy, reconstruct our country and guarantee this hard-won democracy which deserves a long, prosperous future. [end recording]

OPPOSITION LEADERS DISCUSS ACCORD, BUDGET

PY081452 Madrid EFE in Spanish 0825 GMT 7 Feb 86

[By Alberto Pepe Leira]

[Text] Montevideo, 7 Feb (EFE) -- Wilson Ferreira Aldunate, the leader of the National (Blanco) Party and Liber Seregni, the leader of the leftwing Broad Front coalition, both of the opposition, have promised to seek an agreement with the government. The two leaders met for more than 1 hour on 5 February to discuss President Julio Maria Sanguinetti's proposal for a national accord aimed at overcoming economic crisis and reaffirming the democracy that was reinstated a year ago. In a press conference last night after his meeting with Ferreira Aldunate, Liber Seregni said: "We are seeking the accord and we plan to look for it regardless of the consequences." The president of the Broad Front added: "with Ferreira we exchanged ideas and approaches toward the country's problems in general. We discussed current issues: the national accord and the national budget." Speaking about the need to achieve this accord, Seregni emphasized that "we are after something everyone wants." Asked whether he and Ferreira Aldunate had agreed to reject the government's economic policy, Seregni answered: "We did not get together to make an agreement between ourselves. We met to do something that had to be done: exchange opinions about a government proposal."

Some 2 weeks ago President Sanguinetti met with the opposition leaders to convey to them his concern over the economic crisis and the social unrest "which are not the best company for democracy." Sanguinetti then asked the opposition to support him in his quest for a national accord and for reactivating the economy of the country. Meanwhile Ferreira Aldunate told the press that "we all want to look for formulas for understanding." He added: "I believe that the most positive piece of information I can given the Uruguayans at large is that all political parties, without exception, understand the need to diligently seek formulas that can foster national reconstruction.

After his meeting with Seregni, the Blanco Party leader admitted that the accord is meeting with some difficulties "stemming from political differences among the various parties." Ferreira Aldunate went on to say that "the various sectors of the country must apply their good will to the quest for harmony." He explained that "any agreement implies mutual concession and I would say that original positions not only can but must be amended. The problem is now to find what can be amended. The things that have to do with aspects essential for the parties cannot be changed." Ferreira indicated that "there must be a change in the economic policy and this opinion is shared by all national sectors." He added that the changes must "be in keeping with the nature of the accord. In-depth agreements call for in-depth changes. There are other aspects that may leave room for a bit of flexibility."

PETROVEN PRESIDENT VIEWS OIL MARKET SITUATION

PA061208 Caracas Radio Rumbos Network in Spanish 2100 GMT 4 Feb 86

[Report by Luis Alfredo Gomez]

[Text] The instability of the international oil market and the consequences to be derived from that situation by our country were again analyzed at Miraflores Palace by President Jaime Lusinchi, the economic cabinet ministers, and Petroven President Dr Brigido Natera. Dr Natera said that PDVSA's [Venezuelan Petroleum, Inc.] expansion and investment plans have not yet been affected, despite the reduction in the price of Venezuelan oil. Here is Dr Natera with more details:

[Begin recording] [Natera] There have been reductions for practically all kinds of crude oils. The [words indistinct] crude oil, the one most often mentioned in the market, was reportedly below $17 this morning, even though this is a light crude oil. In other words, there is no discrimination here; the prices of both light and heavy crude oils are being reduced without discrimination.

[First reporter] [Words indistinct] in the international market, which do you estimate is the minimum price that crude oil might reach?

[Natera] Those are speculations that do not deserve to be engaged in and I will not do so.

[Second reporter] Dr Natera, would you describe the present situation as difficult?

[Natera] This situation is undoubtedly difficult for any of the producing countries like us and ....

[Third reporter, interrupting] [Question indistinct]

[Natera] In truth, I do not know where you have obtained those figures [words indistinct]....

[Third reporter, interrupting] [Words indistinct]

[Natera] Well, I have not seen those, and although it is possible, one must be very careful with those figures, because there is speculation with those figures. That oil is not really oil, it is on paper; they are selling futures and that is not really a cargo, no, no, that is just paper.

[Fourth reporter] In view of the instability of the market, do you think it would be advisable to dismiss the netback [preceding word in English] mechanism as a marketing method?

[Natera] We have never discarded the netback mechanism. As [Acting Energy and Mines Minister Hernan] Anzola said very clearly this morning on television, the netback mechanism is a sales mechanism. There are possibilities that we regard as better than the netback mechanism, and we will try to exhaust those possibilities before resorting to netback.

[Fourth reporter] What are those possibilities?

[Natera] Well, you have (?talked) a lot (?about) so-called internationalism, for instance. But excuse me, these are things about which I cannot provide much detail because no negotiator shows his cards when he is involved in this sort of thing. One must hold something up one's sleeve, right? [end recording]

PDVSA BUYS 50 PERCENT OF U.S. PETROLEUM FIRM

PA052304 Paris AFP in Spanish 2204 GMT 5 Feb 86

[Text] Caracas, 5 Feb (AFP) -- Today Venezuela acquired for $300 million 50 percent of the U.S. Citgo Petroleum Corporation, the Venezuelan state-owned oil company Petroleos de Venezuela (PDVSA), which handles the state oil industry, has announced.

The letter of intent for the purchase was signed in Caracas today by Brigido Natera, president of PDVSA, and John P. Thompson, president of the Southland Corporation, which owns Citgo.

Venezuela thus secured the supply of 130,000 barrels of oil daily with the option of placing up to 200,000 on the market.

Citgo, a U.S. independent oil company, refines, distributes, transports, and markets in 30 states of the union, delivering 350,000 barrels of refined oil daily to more than 300 independent distributors, reaching 8,000 service stations in the United States.

DE LA MADRID CONGRATULATES COSTA RICAN PRESIDENT

PA092217 Mexico City EL UNIVERSAL in Spanish 5 Feb 86 p 8

[By Fidel Samaniego; all quotation marks as published]

[Text] Yesterday, in a message to Oscar Arias, winner of the presidential elections in Costa Rica, President Miguel de la Madrid expressed his trust that Arias' new administration will support the efforts for peace and security in Central America. De la Madrid's message was released hours after Arias announced in San Jose, Costa Rica, his refusal to begin any talks with the Nicaraguan Government until the border incident between the two countries that occurred last year is clarified.

The text of President De la Madrid's message to the Costa Rican president-elect follows:

"Receive my cordial congratulations on the occasion of your victory in the Costa Rican general elections.

"I express my sincere wishes for the sucess of your administration, which I am sure will be advantegeous for the Costa Rican people's progress and for the Central American region's peace and security.

"I also reiterate my government's disposition, which I discussed with you during your visit to Mexico, to strengthen and broaden the ties of friendship and cooperation between our countries."

Meanwhile, President De la Madrid held a 90-minute working meeting yesterday at Los Pinos with the expenditures and finance committee. However, there were no reports on the meeting. Afterward he received Jose Ernesto Costemalle, director of the National Company for Basic Commodities, Conasupo. He also held a private meeting with Julio Gutierrez, president of the Condumex [expansion unkonwn] Administrative Council.

At 1330, President De la Madrid met for 1 hour and 30 minutes with Chiapas State Governor General Absalon Castellanos. Apart from his agenda, he held a brief meeting with Rafael Rodriguez Barrera, the new secretary for Agrarian Reform, and with Luis Martinez Villicana, former agrarian reform secretary. President De la Madrid then left his official residence at Los Pinos to attend a private dinner at the nation's General Archives. Finally, in the afternoon President De la Madrid met with Antonio Riva Palacio Lopez, president of the Senate's Great Commission. Today, President De la Madrid will attend the commemorative ceremony of the enactment of the political constitution in Queretaro. Governor Mariano Palacios Alcocer will be the ceremony's official speaker.

OIL MINISTERS MEET TO DISCUSS MARKET SITUATION

FL081812 Mexico City NOTIMEX in Spanish 2230 GMT 6 Feb 86

[Text] Mexico City, 7 Feb (NOTIMEX) -- Mexican and Venezuelan representatives have met with Saudi Arabian authorities within the framework of the efforts exerted by Latin American countries to seek an understanding between oil producing countries leading to stability in the international oil market.

Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa and his Venezuelan counterpart, Arturo Hernandez Grisanti, will go from Egypt to Saudi Arabia today to meet with Petroleum and Mineral Affairs Minister Shaykh Ahmad Zaki Yamani, an official Mexican spokesman reported. This meeting is the result of the dialogue between Mexican and Venezuelan Presidents Miguel de la Madrid and Jaime Lusinchi in late January and represents the fulfillment of what was agreed to during the presidents' exchange of views concerning the oil market.

The interview between Labastida Ochoa, Hernandez Grisanti, and Minister Yamani is in addition to meetings held with Indonesian Mining and Energy Minister Dr Subroto and Kuwaiti Oil Affairs Minister Ali al-Dhalifah al-Adhdi as-Sabah in Vienna, Austria, and the meeting with Egyptian Oil and Energy Minister 'Abd al-Hadi Muhammad Gandil in Cairo.

SOVIET ENVOY ON OIL PRICES, CHALLENGER ACCIDENT

FL070440 Mexico City NOTIMEX in Spanish 2108 GMT 6 Feb 86

[Text] Mexico City, 6 Feb (NOTIMEX) -- Soviet Ambassador to Mexico Rostislav Sergeyev, referring to the problems the drop in oil prices has brought about, said the Soviet Union is willing to cooperate on matters related to international economic security.

Interviewed at Mexico City's airport, the diplomat asserted that this is a serious situation, since an international fuel price war could have critical consequences on certain countries' economies. Sergeyev underscored that his country, in addition to agreeing to participate in international economic security programs, would make a contribution to them. He also talked about the space shuttle Challenger's accident and said safety measures need to be doubled or tripled to avoid this kind of accident in the future. The diplomat noted that the Soviet people understand and have warned the world of the danger military development of space represents. He explained that a Challenger-type spacecraft could also be used for military purposes, carrying nuclear or laser-type weapons. It is very dangerous to use space for military purposes, because if something happens we are all going to suffer; all countries of the world, Sergeyev said.

SOVIET OFFICIAL ARRIVES, REJECTS REAGAN'S SDI

FL062335 Mexico City NOTIMEX in Spanish 1605 GMT 6 Feb 86

[Text] Mexico City, 6 Feb (NOTIMEX) -- Nikolay Zaytsev, director of the Soviet Union's Academy of Sciences, has described the United States' project for a Strategic Defense Initiative (SDI) as madness because it represents a threat to world peace.

Upon his arrival in this capital, where he will participate in a seminar on disarmament, the Soviet official said that the great powers invest large amounts of money in the war industry when the important thing would be to work for disarmament and designate more resources for developing nations. He said: The problems of more than 30 Latin American countries are no longer economic problems; they have become political problems, because they must have a political solution, given that the solutions enforced so far have not worked.

Referring to the drop in export oil prices, the Soviet official said that the situation does not favor the interests of oil exporting countries or those of the international economic community because the world needs stability.

REAGAN'S AID TO CONTRAS SEEN AS 'BAD NEWS'

PA090100 Panama City CRITICA in Spanish 6 Feb 86 p 4

[Editorial: "Freedom Fighters"]

[Text] We agree that the U.S. President should be concerned about freedom in Afghanistan, Cambodia, Angola, and Nicaragua, but it is very condemnable that he should exclude real satrapies like those of Paraguay and Haiti, which at this very moment are beset with cruel violence, without knowing for certain how their social disaster will end.

If one has to take measures, one should do so, but to curtail the freedom of peoples who serve his commercial and economic interests is not being sincere, and that is why this leader is often rejected by humanity.

In the case of Nicaragua we disagree with the choice of a military solution: The war of attrition that President Reagan steps up more every day. We see the solution in the Contadora proposals, in the statements by the Latin American leaders, including those of our own country calling for a peaceful, diplomatic solution, a solution of dialogue, as the most elementary humanitarianism demands.

The impression one gets is that the United States is not really concerned with the real essence of democracy, as a doctrine. It it were, it would sever relations with communist China and other people's republics, especially the Soviet Union. Its relations with those countries are normal if not very good, from all angles.

The announcement yesterday of a "promise of moral and material assistance" to the Nicaraguan "contras" means that violence will escalate in our area, because the Sandinists will also strengthen their defenses. In the end, it is we Indo-Americans, we Central Americans, who are undoubtedly be sacrifices. President Reagan's annoucement is bad news.

PRD CRITICIZES REAGAN'S LATIN AMERICAN POLICY

PA100059 Paris AFP in Spanish 1609 GMT 9 Feb 86

[Text] Panama City, 9 Feb (AFP) -- The Reagan administration "is sponsoring the enthronement of rightist Christian Democratic governments" in Central America and the Caribbean, the Democratic Revolutionary Party (PRD-Torrijist), which is currently in power, denounced here today.

A document issued by the PRD says that Washington is trying to replace "ancient conservative trends and reactionary military dictatorships" with the Christian Democrats.

This allows "the old parties to organize very active ideologically militant cadres instead of the traditional caudillos," and it helps the small Christian democratic parties assume power.

For example, the PRD refers to the fusion of the Christian Democratic Party of Costa Rica with the traditional Calderonism "protected by the Somozist tyranny" as a union from which emerged "the most hostile electoral project against Contadora's peace process and one more closely linked to the Nicaraguan counterrevolution and to Reagan's Central American policy."

"The same thing happened in the Dominican Republic, where the small Christian Democratic group joined the Reformist Party, a continuation of Trujillism."

The Christian Democratic Party of Panama is currently allied with the traditional Panamenist Party of Arnulfo Arias, the former octogenarian president, said the PRD.

In the three cases mentioned above, as in the case of Salvadoran President Jose Napoleon Duarte, they are unconditional allies of the Reagan administration and staunch adversaries of the Contadora peace process, despite the official agreements formally accepted by the continent's Christian Democrats, said the PRD.

CNTP DOUBTS ECONOMIC PLAN EFFECTIVENESS

PA092118 Panama City CRITICA in Spanish 8 Feb 86 pp 20, 27

[Article by Carlos J. Nunez L.]

[Text] In a press communique issued to the public yesterday, the National Federation of Panamanian Workers [CNTP] stated that Panama cannot solve its economic crisis by enriching the minorities.

With the signatures of Jose Manuel Meneses and Eric Graell, the CNTP recalls that this federation openly fought the government plan presented by former President Nicolas Ardito Barletta "because its content indicated that it was imposing the World Bank and IMF formulas, which affect the country's democratic development."

Now, the CNTP continued, with the new government headed by Eric Arturo Delvalle, a very similar new plan has been presented. However, this plan has been polished up in order to sell the idea that this group of guidelines will solve the country's difficult economic crisis.

"Leaving consumers at the mercy of the supply and demand system, or selling reverted areas or state assets is not the way to get us out of this abyss," the CNTP noted.

In addition, the federation noted that it is willing to participate in a dialogue with all productive sectors and the government in order to find a progressive path to get the country out of the crisis we are facing.

"We reiterate our support for the popular sectors," the communique concluded.

BRIEFS

GOVERNMENT APPOINTMENTS -- Carlos Julio Quijano has been named Director of the Social Security Fund. Air Panama is to be headed by Manuel Jose Paredes as general manager, assisted by Azael Purcait, assistant general manager. The incumbent deputy director of the Social Security Fund is Rolando Fung. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 4 Feb 86 pp A 1, A 10 PA]

COSTA RICA

MONGE MEETS CARTER, DECLINES ATLANTA SUMMIT

PA070900 San Jose Radio Reloj in Spanish 1200 GMT 6 Feb 86

[Excerpts] Following his meeting with former U.S. President Jimmy Carter, President Luis Alberto Monge announced that Carter had told him he is very worried over the problems affecting Latin America, particularly Central America. Former President Carter met with President Monge for 20 minutes at Monge's home at Pozos do Santa Ana.

During his administration, former President Jimmy Carter was very much in solidarity with the democratic forces of our area, said President Monge, adding that Carter now wants to help achieve peace. Mr Carter is very pleased with the democratic achievements in several Latin American countries, but he is very concerned over Central America, in spite of the fact that legitimate governments have been reestablished by the will of the people in Honduras, El Salvador, and Guatemala.

Mr Carter is encouraging a meeting to be held in Atlanta, Georgia in April with several heads of state. The Costa Rican president has been invited to attend, but Monge said he thinks the president-elect should attend instead of him. Monge feels he has too many commitments and will not be able to attend.

ARIAS ON EUROPEAN AID, TALKS WITH NICARAGUA

PA080940 San Jose Radio Impacto in Spanish 1830 GMT 6 Feb 86

[Text] President-elect Oscar Arias Sanchez has said Costa Rica must request increased solidarity from friendly countries. Arias Sanchez was quoted as saying: "Actions speak louder than words." He said the European countries that have promised to help Costa Rica should do this more effectively.

Our next president said he will travel to several European countries -- not to [words indistinct] as they say in diplomatic circles, but to discuss concrete issues and concrete aid.

[Begin Arias recording] Don Luis Alberto went, and he achieved something unusual: He brought the members of the EEC to Costa Rica. I can tell you sincerely [words indistinct] that it is not possible to make [words indistinct] for the aid to come in effective quantities. If 10 EEC countries could give us 55 or 60 million [currency unspecified], we are speaking of 6 million per country, and the United States gives us $180 to $190 million, these actions would speak louder than words.

To go to Europe to pressure these people would be senseless; this can be accomplished by talking to the ambassadors here. I am interested in knowing if there are countries willing to [words indistinct] for peace, because Costa Rica is a democratic country, and for the people's well-being. We must succeed; we must not fail. We must emphasize that friendship with Costa Rica is not enough to fight poverty. We need understanding, (?seriousness), and aid. [end recording]

The president elect said that if this aid is agreed upon, he will travel to Europe. If not, he will not. He said the European countries should make a decision because they have their own views of the Central American problems.

On the political relations between Central American countries, Oscar Arias said Guatemalan President Cerezo has not been invited to the meeting that will be held in [name indistinct]. Concerning the dialogue with Nicaragua the president elect said he favors a multilateral and not bilateral dialogue.

[Begin Arias recording] It seems to me that the dialogue with Nicaragua must be multilateral, because the peace problem in Central America cannot be resolved with bilateral pacts or bilateral agreements. They are resolved when all of the sides involved sit down and sign an agreement. This is what the Contadora document is all about. [end recording]

Finally, the president said it seems illogical, irrational, and absurd that the Contadora Group has never explained the Las Crucitas attack.

The responsibility for making Costa Rica succeed is upon the leaders and the people; therefore, the dialogue with the opposition is very important, the president elect said. He said there are signs of bipartisanship in Costa Rica, where the National Liberation Party has the majority and the Social Christian Unity Party [PUSC] has a greater percentage of support than in previous years.

Arias Sanchez said all initiatives are welcome, regardless of where they may come from. When one is a part of the opposition one needs courage to dissent, but even more courage is needed to agree. Some people mistakenly believe that the opposition's duty is to be opposed to everything, he added. He said he is willing to sit down and negotiate because Costa Rica is above all political divisions. He will invite the former PUSC candidate Rafael Angel Calderon to talk, and he will propose that they struggle together for the country's well-being.

FOREIGN MINISTER ON STATUS OF NICARAGUAN TIES

PA070952 San Jose Radio Reloj in Spanish 0100 GMT 7 Feb 86

[Text] Nicaraguan Ambassador Leonor Arguello yesterday presented a draft document on the Las Crucitas case to Costa Rican Deputy Foreign Minister Gerardo Trejos. The document was studied by Foreign Minister Carlos Jose Gutierrez, who (?has submitted) his views on it to the president of the Republic so he can either make a decision or issue a response on this issue. Gutierrez explained that relations with the Nicaraguan Government, through its embassy, are exclusively concerned with the incident at Las Crucitas.

The foreign minister also explained that the talks recently begun between the Nicaraguan Embassy and the Foreign Ministry are direct and bilateral. They deal exclusively with our government's precondition that it must receive a satisfactory response from that government regarding the Las Crucitas incident. Only to the extent that the explanations are satisfactory, can our diplomatic relations with Nicaragua be resumed, the foreign minister added.

Further on, Minister Gutierrez said that a judicial impediment might detain Nicaraguan Ambassador Arguello in our country. He explained that this is due to the fact that she lost her special diplomatic status when she filed a charge with the OIJ [Judicial Investigation Agency] in connection with the forgery of one of her letters. He added that in accordance with the Vienna Convention, she lost her special status automatically when she resorted to judicial means. At this point she must respond to a charge filed by LA REPUBLICA and its director, Joaquin Vargas in connection with the letter in question.

$3.45 BILLION FOREIGN DEBT TO BANKS, COUNTRIES

PA061254 San Jose Radio Impacto in Spanish 1830 GMT 5 Feb 86

[Text] It was disclosed today that our country's foreign debt now amounts to $3.45 billion following the amortizations made in recent months. The largest creditors are commercial banks from various countries to which Costa Rica owes a total of $1.4 billion. Other important creditors are various international organizations, such as the International Monetary Fund and the World Bank, to whom we own $976 million. The total debt to various foreign governments amounts to $736 million.

CUBANS DETAINED FOR CARRYING FORGED PASSPORTS

PA060906 San Jose Radio Reloj in Spanish 1200 GMT 5 Feb 86

[Text] The Judicial Investigation Agency [OIJ] has discovered the arrival in this country of 14 Cubans who were carrying forged passports and who had been deported to Panama from Mexico. A few days ago they had left Costa Rica for Panama and from there had gone on to Mexico, where the fact that their passports had been forged was discovered. The passports were allegedly issued by our Migration Department. On the basis of this, the OIJ is conducting the pertinent studies to discover the manner in which these passports were forged.

In coordination with the Panamanian police, the OIJ is trying to locate an international band involved in the forging of passports. Presumably this band is responsible for the passports issued to the group of 14 Cubans who tried to enter Mexico. The passports seized, which have forged signatures from the Migration and Aliens Departments, were made with special paper taken from those departments.

EL SALVADOR

FOREIGN MINISTER ON CARTER'S PLANNED VISIT

PA071121 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 6 Feb 86

[Report by Rosi Castill]

[Text] We are at the Salvadoran Foreign Ministry where Foreign Minister Rodolfo Castillo Claramount hosted a news conference at noon today to report on his visits to Guatemala, Honduras, and Costa Rica. He said these visits have a positive result for the country. Likewise, he answered questions on the forthcoming visit to El Salvador of former U.S. President Jimmy Carter as follows:

[Begin Castillo Claramount recording] Concerning former President Jimmy Carter's visit, I regard it as the visit of a U.S. citizen, a former president, who is now touring some countries in the Americas, specifically Central America. He is collecting information on a book he is going to write or something like that.

I have no exact information on whom he will meet with, and I personally have no knowledge that he is planning to meet with the president. Thus, I cannot give you any information on that. This visit has no political significance for El Salvador's internal political life, or international policy. Of course, if we have the opportunity to greet him, we will do it with all the courtesy and consideration due a former president of any nation, particularly a former U.S. president.

We are never discourteous, and we should not be discourteous. We do not believe that former President Carter's visit should be criticized by anyone. Some criticize the role former President Carter's administration played, while others do not. However, I think we Salvadorans should not forget that when the so-called final offensive of the guerrillas was launched in El Salvador on 10 January 1981, U.S. President Jimmy Carter sent us urgent aid that helped us prevent a possible victory of the Salvadoran guerrillas at that time. [end recording]

Listeners, you have just heard statements by Foreign Minister Rodolfo Castillo Claramount concerning his visits to Guatemala, Honduras, and Costa Rica, which he described as very positive. Likewise, he voiced his opinion concerning the arrival of former U.S. President Jimmy Carter, and said the Salvadoran people should not stage any demonstrations.

Protests Against Visit Planned

PA090053 San Salvador EL DIARIO DE HOY in Spanish 8 Feb 86 pp 5, 49

[Text] Representatives of several organizations will hold a symbolic 2-hour strike next Monday to protest the visit by former U.S. President Jimmy Carter to El Salvador. The 2-hour strike will be from 1000 to 1200 on Monday, 10 February. The organizers of the demonstration are asking storeowners, market vendors, taxi and bus drivers, construction workers, and workers in general for their cooperation. During those hours, store shades should be pulled down, stores closed, and everyone should come on the sidewalks to express opposition to Carter's visit.

The organizers of the demonstration say that to welcome Jimmy Carter is an insult to Central America because it was Carter who handed Nicaragua over to the communists, whose tyrants in power are not only enslaving that country but are also trying to do the same in El Salvador.

Finally, they are asking that similar actions be carried out everywhere as a unanimous demonstration of disapproval of this visit by an undesirable visitor.

CULTURE MINISTER DENIES MEDIA CENSORSHIP PLANS

PA091927 San Salvador EL MUNDO in Spanish 6 Feb 86 p 1

[Excerpt] Julio Adolfo Rey Prendes, culture and communications minister, said today that there are no plans to decree a gag law in the country as the PCN [National Conciliation Party] has said, and that the policy is to persuade the media not to serve as instruments of those who want to violently topple the government.

Rey Prendes held a meeting with national and foreign newsmen today to explain to them that calls to violence can be made by inciting the Armed Forces to a coup, or publishing paid advertisements that openly favor the rebels.

Proof of the fact that we are not implementing censorship is that in one newspaper there were paid advertisements, the contents of which did not please the government, and we have also defended ourselves in paid advertisements, he said.

We do not want to reach the extremes that have been reached in Nicaragua, where to prevent the publication of anything favorable to the contras, opposition newspapers are not allowed to circulate and radio stations are closed.

You must understand that in a state of war and in a state of siege we must not confuse certain liberties with libertinism, Rey Prendes said. The minister acknowledged that information and ideology are different things, and just as the government does not have access to Radio Venceremos, we cannot allow a space on goverment stations for the FDR-FMLN, as these fronts requested in December. They would presumably attack the government, he said.

He also acknowledged that information cannot be censored because once this is initiated, there is always the danger of dictatorial measures being adopted. The newspapers must decide what favors those who want to topple the government and what does not favor them. If they do not pay attention to us, we will ask them again. I repeat, we do not want to adopt violent censorship measures.

'OPERATION CARLOS' ENDS; RESULTS VIEWED

PA090019 San Salvador Radio Cadena YSU in Spanish 1800 GMT 8 Feb 86

[By Carlos Mario Marquez]

[Text] Colonel Ernesto Mauricio Vargas has reported that "Operation Carlos," in which approximately 2,500 men participated, has ended in Morazan Department. Concerning the results of the operation, here is what Col Vargas had to say:

[Begin recording] The rapid deployment Manuel Jose Arce Battalion, the anti-terrorist Ponce Infantry Battalion of the 3d Infantry Brigade Command, and the Cacahuatique Battalion participated in the operation. Military Detachment No 4, which is based in the Morazan Department and which has been assigned a mission in Morazan Department, also participated in the operation.

The operation, which consisted mainly of combined civic activities, began on 1 February in Corinto with the distribution of medical supplies, food, clothing, and other goods among the population. In addtion to the distribution of medical supplies, there were medical and dental examinations performed on approximately 12,114 people. In the military aspect, we managed to destroy several guerrilla camps in the western part of the department. There have been clashes in the southern zone of Jocoaitique and in Perquin, and also in the areas of Joateca, La Hermita, Rancho Quemado, and La Sabaneta.

Two of our men who were ill died. There deaths were not related to the armed clashes. Ten of our men were wounded in combat. I do not have a report on the number of casualties inflicted on the enemy; however, unofficially we were told that eight terrorists had been killed. In addition, some of the terrorists have surrendered and others were captured in the northeastern part of the department near El Algarrobo, north of Arambala. [end recording]

On the other hand, the rebels claim they have inflicted 31 casualties on the Army during "Operation Carlos."

ARCHBISHOP DECLINES INVITATION TO VISIT CUBA

PA092149 Hamburg DPA in Spanish 1913 GMT 9 Feb 86

[Text] San Salvador, 9 Feb (DPA) — Salvadoran Archbishop Monsignor Arturo Rivera y Damas has declined an invitation to attend an ecclesiastical meeting in Cuba, but he denied the decision was for political reasons. During his Sunday homily, the pastor said he had been invited by the Cuban Episcopal Conference to attend the Cuban national ecclesiastical meeting from 13-17 February, and added: I must decline the invitation for health reasons."

Consulted at the end of his homily, the pastor said he will meet with former U.S. President Jimmy Carter on Monday. Carter is scheduled to arrive in El Salvador tonight. He and Rivera y Damas will discuss the country's situation in the past few years, since Carter is on a tour to gather information for a book he is currently preparing on Latin America, it has been reported.

During his homily, Rivera y Damas stressed his appeal to the Armed Forces to "cease the indiscriminate bombings against civilian populated areas." The archbishop criticized guerrilla actions, such as those executed during the recent traffic stoppage, and expressed regret over the death of merchant Jose Luis Gradaeno Guevara. The Armed Forces Press Committee also reported today that Jorge Jacobo Sanchez, a justice of the peace in Jutiapa, approximately 75 km east of San Salvador, was kidnapped yesterday.

FMLN SUSPENDS SECOND TRANSPORTATION STOPPAGE

PA081911 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 7 Feb 86

[Text] We are informing the people that the national transportation stoppage has been suspended by our FMLN General Command as of 0000 on 6 February. After the 7 days this second national transportation stoppage lasted, we inform our people that as of 0000 on 6 February the strike was lifted. We ask the people to be alert to new transportation stoppages that will be announced by the FMLN General Command. This has been the second transportation stoppage this year, and it was observed throughout the entire national territory. Our units strictly fulfilled the orders given by our General Command on the country's four war fronts.

In the western areas, in the new theaters of operation, in the central part of the country, in the paracentral and eastern parts of the country, our units fulfilled the order given by our General Command to paralyze transportation during the 7 days the order was implemented. Our units were present on the main and secondary highways of the country, fulfilling the order from our General Command.

The second national transportation stoppage has caused the Duarte war economy heavy losses. We call on our guerrilla units and sapper squads to continue their impressive sabotage against the Duartist war economy, to continue sabotaging their sources of electricity. We are also asking all CEL [Lempa River Hydroelectrical Executive Commission] employees not to repair any electric lines, be they posts or towers that are destroyed by our sapper units, because they will be in danger while repairing them. We reiterate our call to all CEL workers to not repair any towers that have been sabotaged. Let the military, the puppet Armed Forces, the officials do this job. The sabotage against the Duartist war economy has been maintained in the entire country in rejection of the Duartist tax package.

GUATEMALA

FORMER SECRET POLICE AGENTS REMAIN IMPRISONED

PA071230 Panama City ACAN in Spanish 2341 GMT 6 Feb 86

[Excerpts] Guatemala City, 6 Feb (ACAN-EFE) -- Over 600 members of the Guatemalan secret police of Guatemala, captured following governmental orders last Tuesday, "continue imprisoned and only those who are free of charges will be released."

The public relations office of the police made the announcement today while "witnesses" against the former secret agents began filing their charges today at the Supreme Court of Justice. Photographs of all the agents being investigated are available to the general public. President Vinicio Cerezo himself said yesterday that there was evidence guilt against "at least 100 agents," following the initial investigations. It was mentioned today at the Supreme Court of Justice that the formal charges will increase in forthcoming days, particularly after it was learned that the former secret agents are imprisoned and will be brought to trial, and therefore the people are less afraid of raising charges against them before the judges in charge of the investigations.

HONDURAS

U.S. ARMY ALLEGEDLY TESTING LETHAL CHEMICALS

PA090134 San Pedro Sula TIEMPO in Spanish 7 Feb 86 p 9

[Text] San Pedro Sula -- Yesterday, the trade union of the National Construction Industry and Related Industries Workers of Honduras (Stincah) denounced through an information bulletin the fact that the U.S. Army is conducting experiments with lethal chemicals among the civilian population of the municipalities of Villanueva, San Manuel, and others in Cortes Department. According to charges, such chemicals are sprayed over those communities by U.S. Army planes, which were seen flying over those sectors on 22 January. According to Stinach, the Voz de Honduras radio station has already reported this in its newscasts.

Ramon Dario Sanchez, Stincah's secretary of international relations, said the sprayed chemicals cause fainting and convulsions among the people, and children are affected by strange sores that appear on their skin. He added that as result of these symptoms, the people in these communities have asked the health authorities to appoint a medical committee to investigate the situation. He pointed out that a medical committee arrived in these communities and conducted thorough examinations of the affected persons, but the results of this investigation are still unknown. Sanchez claimed that Stincah has also raised the issue before international fraternal organizations.

INCREASED POLITICAL ROLE BY MILITARY EXPECTED

PA070048 San Pedro Sula TIEMPO in Spanish 3 Feb 86 p 6

[Editorial: "General Lopez Reyes' Ouster"]

[Text] Ever since General Lopez Reyes announced his decision to resign from his position as chief of the Honduran Armed Forces, it has been clear that we were facing an irreversible fact. His last minute retraction of the resignation, which was probably induced by outside forces, merely worsened a situation whose outcome could not have been any different.

Undoubtedly, the reasons for the fall of Gen Lopez Reyes are very deep-seated, so much so that they touch upon the very core of our political and institutional life, not only because of the time at which the ouster occurred, but also because of its definite implications for the new government's relations with the Armed Forces, and for our international relations.

It is obvious that no one believes the reasons Gen Lopez Reyes gave for his resignation.

It is certainly childish to claim fatigue and say that everything will stay the same. The truth is that Gen Lopez Reyes was ousted from power by his comrades-in-arms and even forced to leave the country temporarily. This was the unanimous decision of the Superior Council of the Honduran Armed Forces.

Now it is up to the National Congress, which appointed Gen Lopez Reyes as chief of the Honduran Armed Forces and must rule on his resignation as well. Calling the resignation irrevocable is superfluous in view of the fait accompli executed by the tactical military powers that, in this way, are reasserting their sovereignty over the civilian powers. If, for instance, the National Congress gives its support to Gen Lopez Reyes -- as did President Azcona and the majority of the leaders of the various national sectors -- a schism would immediately be produced between the so-called first power of the state and the Army. There are few doubts about the outcome of such a situation.

When a detailed investigation of the reasons behind this classical military coup is carried out, we will probably discover some of the same powerful reasons -- at least in essence -- that contributed to the ouster of Gen Alvarez Martinez: the situation in Nicaragua and U.S. policy regarding that country, which has turned our political situation upside down, due to the contradictions within that policy in the United States itself, and due to the conflicts between the interests of the Reagan administration and legitimate Honduran interests, which definitely do not coincide in this case.

At present, Honduras is a key country in U.S. policy for Central America, and more so in the plans of the Reagan administration. Last year, that administration obtained $27 million in new financial support for the "contras" from the U.S. Congress, plus a similar amount from private donations.

The administration of that financial support has been a problem, since the leaders of the "contras" (FDN) [Nicaraguan Democratic Forces] in the United States do not seem to be satisfied with the way the money is being administered, and it is said that the Central Intelligence Agency (CIA) is not happy with it, either. The CIA has somehow been shunted aside in the administration of those funds.

Thus, it is understandable that these discrepancies should in some measure be transferred to Honduras, since it seems that this aid must necessarily be channeled through our country. In any case, the Honduran Government and the Armed Forces in general have reservations about getting involved in an escalation of the "contra" war against the Sandinist regime, which could, at any time, require the direct involvement of our Armed Forces.

The involvement of our Armed Forces is a far more dangerous probability this year than it seemed last year, now that President Reagan has launched a new offensive in the U.S. Congress to obtain another $100 million in military aid for the "contras." This $100 million exceeds the total foreign aid received by the Honduran Armed Forces and it is a ruse that would recruit more soldiers than make up the Honduran Army.

Any commitment to make this project viable is, of course, extremely important to and dangerous for the internal security and international image of Honduras. Under these conditions, no Honduran worthy of the name would agree to any type of collusion, regardless of differing ideologies and the Honduran people's traditional empathy with the people of the United States.

Gen Walter Lopez Reyes played an important role in the continuity of the last Honduran electoral process and, consequently, in the orderly civilian change of command at the end of Suazo Cordova's administration.

We all thanked him for this, and we regret that he was not able to complete his own term and transfer command in a similar manner.

It is not yet clear how this military change will affect President Azcona's government. However, it is obvious that the military will have a more prominent role in the national decisionmaking process than they would have had if Gen Lopez Reyes had remained in office, since he showed great respect for the country's constitutionally established civilian government.

'SECRET' BORDER TALKS HELD WITH EL SALVADOR

PA081709 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 7 Feb 86

[Text] Honduran Foreign Secretary Carlos Lopez Contreras has gotten off to a bad start by trying to keep the Honduran people out of the negotiations being carried on with El Salvador to decide the boundaries between the two countries and demarcation of the border.

Reporter Regina Osorio was treated very rudely by a Foreign Secretariat official, who was annoyed by the presence of Televisora Hondurena cameramen because the meeting was supposed to have been a secret. For what reason? We do not know.

The question we immediately ask is, what is the Foreign Secretariat trying to hide? Are these Lopez Contreras' orders? Why so much secrecy about the negotiations with El Salvador?

Here is Regina Osorio's report:

[Begin recording] The Commission of In-Depth Territorial studies, appointed by the Honduran Government to continue the border negotiations with El Salvador, has met with the Salvadoran Government representatives in a hotel room in this capital. The purpose of the meeting was to continue discussing the border problem and try to reach an understanding on establishing the boundaries and demarcating the border between the two countries.

The two countries appointed their representatives to the high-level commission last year, when the 5-year period agreed upon in the general peace treaty to solve the border conflict through direct negotiations expired without the two countries having reached an agreement.

The Salvadoran and Honduran officials will continue the negotiations for the next few months. If they do not reach an agreement, the issue will then be submitted to the International Court of Justice at The Hague.

This afternoon, when we tried to gather some information regarding the state of this matter, which is of great importance to the Honduran people, a Foreign Secretariat official stood in the way to prevent us from doing our job. We realize that these negotiations are extremely confidential, but we also have a job to do. [end recording]

AZCONA MEETS WITH NICARAGUA'S OBANDO Y BRAVO

PA062110 Tegucigalpa Domestic Service in Spanish 1130 GMT 4 Feb 86

[Text] Accompanied by high-ranking government officials, President Jose Azcona yesterday participated in the religious festivity in honor of the Virgin of Suyapa.

The mass, which every year is attended by people throughout the country, was officiated by Central American Cardinal Msgr Miguel Obando y Bravo, who was assisted by the Honduran bishops. The Suyapa basilica was filled by hundreds of Hondurans, who heard the messages of the leaders of the Catholic Church in a day dedicated to the Virgin Mary.

In his homily, Cardinal Obando y Bravo prayed for regional peace, especially for the Nicaraguan people, who are suffering from a climate of anxiety in their neighboring country. Tegucigalpa Archbishop Msgr Hector Enrique Santos asked the Virgin of Suyapa, patron saint of the Hondurans, to protect President Jose Azcona and his government team. The leader of the Honduran Catholic Church mentioned the letter Azcona sent him before taking office, a letter in which Azcona told him he would deal with the problems affecting the Hondurans. That interest must be placed before the altar of God so that through the Virgin Mary, God will help President Azcona, because we are aware of his good intentions [words indistinct] with his plans and aspirations, Msgr Santos said.

President Azcona asked the people to remain calm regarding the events in the Armed Forces as a result fo the resignation of General Walter Lopez Reyes. In brief remarks, President Azcona said those events are normal and routine so the people must not be concerned. Azcona stated this shortly before entering the basilica of Suyapa where, along with members of his Cabinet, he participated in a mass in honor of the Virgin Mary. The president arrived in the basilica with his wife, Miriam de Azcona, Colonel Efrain Lisandro Gonzalez, acting commander in chief, other officers of the Superior Council of the Armed Forces, Supreme Court justices, and deputies.

President Jose Azcona held a meeting with Cardinal Miguel Obando y Bravo and with the members of the Honduran Episcopal Conference. The 45-minute meeting was held at the Oval Room of the government house. They discussed topics of (?common interest), especially hopes about the new phase the country is beginning, Msgr Oscar Rodriguez, auxiliary bishop of Tegucigalpa, reported. Thev also analyzed the situation of the church in Nicaragua, which is experiencing difficulties in carrying out its pastoral work. Catholicism is suffering persecution because it is doing Christ's work, Rodriguez said, adding that it continues unharmed and ready to continue moving ahead. Referring to charges by the Sandinist regime that Cardinal Obando y Bravo is a political leader, Msgr Rodriguez said the Nicaraguan authorities have no morals and are using lies as a weapon. The Azcona government is very receptive about church affairs and proof of this is the meeting we held, Msgr Rodriguez added.

Cardinal Views Church's Role

PA062117 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 4 Feb 86

[Text] Msgr Miguel Obando y Bravo, archbishop of Managua, has told the "Today" newscast that the nature of his duty is not political, but pastoral. In that way, he replied to Sergio Ramirez' statement that Cardinal Obando y Bravo favors the counterrevolution and exercises political functions.

[Begin recording] [Unidentified reporter] What will the position of the Catholic Church be in the face of a Nicaraguan Government trying to exert control over the church and the media?

[Obando] Well, the church's position has been revealed through various pastoral letters issued by the bishops. Yes, the church does denounce injustices as part of its pastoral duty. Of course, (?it cannot oppose) a dialogue because we believe that a dialogue is a civilized path to try to resolve problems.

[Reporter] Therefore, is the church's position toward the Ortega government not a face-to-face confrontation?

[Obando] Well, the church does not seek to confront anyone. If sometimes we denounce injustices and that is interpreted as a confrontation, that is not our fault. We do not wish to confront anyone; we would like peace and harmony to prevail everywhere.

[Reporter] But what role will the Catholic Church play to protect rights that have been denied, such as [words indistinct]?

[Obando] You yourself said that I am coming from the United Nations and the OAS, so I do not know what the church is doing right now. [end recording]

PREFERENTIAL TREATMENT OF MILITARY BANK PROTESTED

PA070425 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 6 Feb 86

[Excerpt] The association of banking institutions protested to the Central Bank of Honduras yesterday on the preferential treatment being given the Armed Forces Bank, which has been assigned a quota of $1.5 million per month, while the other banks, private banks, will receive only $200,000. The banks are demanding equal treatment from the government and have threatened to suspend the opening of letters of credit to their patrons until this preferential treatment stops. Honduran banks were divided yesterday after it was reported that the Armed Forces Bank has been singled out by the Central Bank of Honduras to receive preferential treatment in the distribution of dollars, while the rest of the private banks receive only small sums, compared to the million-dollar sum the Armed Forces Bank will begin to receive in February. The association of banking institutions, which includes all the banks in the private banking system, sent a strong letter to Central Bank President Gonzalo Carias in which they demanded equal treatment. According to the reports received by Radio America, the unequal treatment began after the Armed Forces Bank acquired the rights of Tegucigalpa's Bank of America. That subsidiary of the largest U.S. bank decided to close its operations in Honduras by selling its stock to the Armed Forces Bank. In view of the nature of that bank's operations, the Bank of America was receiving $1 million per month, the amount the Armed Forces bank will begin to receive as of February. This has been protested by the association that brings together all of the other private Honduran banks.

BRIEFS

PACT WITH BELIZE SIGNED -- It was officially announced today that the Honduran and Belizean Governments have signed an education and culturation cooperation agreement. The agreement was signed on 24 January in Belmopan, the Belizean capital, by Honduran Charge d'Affaires Marco Antonio Caballero and Belizean Foreign Minister Dean Oliver. [Summary] [Panama City ACAN in Spanish 2227 GMT 7 Feb 86 PA]

NICARAGUA

CARTER BEGINS VISIT 6 FEBRUARY, MEETS LEADERS

Welcomed by Ramirez

PA071312 Managua Radio Sandino in Spanish 1200 GMT 7 Feb 86

[Excerpt] Last night former U.S. President Jimmy Carter arrived in Managua. Tomorrow he will travel to El Viejo.

Carter, who became president in 1976, and his wife, Rosalynn, were greeted last night at the Sandino Airport by acting Nicaraguan President Sergio Ramirez and his wife, Gertrudis de Ramirez, as well as by Foreign Minister Miguel D'Escoto Brockman, U.S. Ambassador Harry Bergold, and Nicaraguan Foreign Ministry officials.

After leaving the COPA flight from Costa Rica, Carter greeted Ramirez and Foreign Minister D'Escoto, telling D'Escoto that he was glad to see him again. Father D'Escoto answered him in the same manner and then they walked to a room for distinguished visitors, where they held a meeting for almost 1 hour.

Former President Carter is touring several Latin American countries, the last of which will be Mexico, to collect information on the human rights situation. He will later discuss this issue at Emory University in Atlanta, Georgia, where he is a professor. Today at 0800 Mr Carter will meet with Defense Minister Commander Humberto Ortega Saavedra. Later he will meet with the National Commission for the Promotion of Human Rights, and at 1000 he will meet with Commanders Jaime Wheelock and Carlos Nunez at the National Assembly.

Meets Nunez at National Assembly

PA090305 Managua Radio Sandino in Spanish 1930 GMT 7 Feb 86

[Text] At the National Assembly today, Commander Carlos Nunez told former U.S. President Jimmy Carter that the constitution being drafted in Nicaragua will serve to erase the image the Reagan administration is fabricating against Nicaragua for political purposes -- that is, Nunez affirmed, that our constitution will be neither socialist nor based on the principles of Marxism-Leninism, as claimed everywhere by the U.S. Government. On the contrary, he added, we will have a fundamental charter that will respond to the Nicaraguan reality with a high Latin American spirit.

[Begin Nunez recording] The Nicaraguan Constitution will establish the present political project currently in the process of perfection, and it will not contain the elements the current U.S. Administration is denouncing everywhere: that it will be a socialist constitution based mainly on the principles of Marxism-Leninism. Nicaragua is not prepared either politically or on the continent on which it resides to fall into extreminism. On the contrary, we want our political constitution to serve as a contribution to Latin America and as a contribution to the unity of Latin America, and for it to help maintain the prestige Nicaraguan enjoys abroad. Above all, it must bring political and juridical stability to the revolution. Our friends and adversaries should particularly consider the fact that we are drafting and will approve our constitution in the midst of a war.

We welcome you in the name of the National Assembly, and hope your visit here will be fruitful, and that when you leave our country you will carry with you a clearer, more realistic, and effective view of the Nicaraguan reality. [end recording]

Meets H. Ortega, Borge

PA090233 Managua International Service in Spanish 0000 GMT 9 Feb 86

[Text] Former U.S. U.S. President Jimmy Carter obtained a broad report on the situation in Nicaragua during his meetings with Humberto Ortega, Carlos Nunez, and Tomas Borge, commanders of the revolution and members of the FSLN National Directorate.

Carter showed a special interest in learning more about the state of emergency, the political parties' participation in drafting the new constitution, and the nature of the revolutionary Armed Forces. He also expressed his support for the efforts of the Contadora Group and for the document drafted at Caraballeda, Venezuela. Finally, he said that in his opinion the church should limit its participation to matters of doctrine and not become involved in political issues.

Meets With Ortega, Others

PA100235 Managua Radio Sandino in Spanish 1300 GMT 9 Feb 86

[Excerpt] Members of the FSLN's National Directorate Vice President Sergio Ramirez and Foreign Minister Father Miguel D'Escoto held a lengthy meeting last night with former U.S. President Jimmy Carter, with shom they analyzed the international situation and the problems associated with relations between the Ronald Reagan government and Nicaragua.

The important meeting was held at the Cesar Augusto Silva convention center in Managua and was attended by President Daniel Ortega; Vice President Ramirez; Interior Minister Commander Tomas Borge; Bayardo Arce, coordinator of the FSLN National Directorate's Executive Commission; Victor Tirado Lopez, member of the FSLN National Directorate; Jaime Wheelock, minister for agricultural and livestock development and agrarian reform, and Defense Minister Humberto Ortega.

COMPARISON OF SANDINIST CHURCH-STATE COMMUNIQUE

Managua EL NUEVO DIARIO in Spanish on 23 January on pages 1 and 8 carries the text of Communique No 4 dated 22 January and issued by the Directorate of Information and Press of the Presidency of the Republic in Managua. A comparison of the EL NUEVO DIARIO version with the Managua Domestic Service version published in the 27 January Latin America DAILY REPORT pages P-14 and 15 adds the following:

Page P-15 paragraph five, from line one, reads...Tellez, presidency minister.

Reply to Uncalled-For Off-Key Letter

Msgr Bosco Vicas, Secretary of Nicaragua's Episcopal Conference.

Dear Monsignor:

I have attentively read your latest letter of 6 January 1986. I am replying to it with the same goodwill with which Companero Rodrigo Reyes, minister of justice and member of the Dialogue Commission, telephoned you to acknowledge receipt of your letters dated 23 and 26 September 1985.

The problems outlined in the above-mentioned notes were discussed during the latest meeting of the Dialogue Commission, which was held October in the manner in which you and Companero Reyes had agreed during the telephone conversation held after your two previous notes were received.

Regarding your letter of 6 January, I deem it of interest to convey to you the following:

Your statement on the uselessness of the dialogue is surprising and worrisome, after the nuncio, the bishops participating in the Dialogue Commission, and you yourself acknowledged the specific advances that have been made during the dialogue; and since you are fully aware of them, there is no need to list them.

I regret not sharing your views. On behalf of our government, I reiterate to you our willingness to continue with the dialogue we have been constructively holding.

I regret and, again, do not agree with the uncalled-for views contained in your letter addressed to the comrade president of the Republic, views which are at odds with the moderate stance that must characterize your high investiture. Therefore, Monsignor, I must strongly reject the charges and interpretations on future intentions you made in your letter.

It is hard to understand why you "reject beforehand any slanderous charge or any uproar that may be raised against the church and its priests, nuns and laity," considering that you yourself remarked during the latest meeting of the Dialogue Commission that the bishops do not accept responsibility for the unlawful actions perpetrated by third persons.

I take advantage of this opportunity to remind you that our government, as any other government in the world, not only has the right but also the duty to ensure compliance with the law. We have chosen to warn those who may be likely to disregard some laws and to sanction them with these laws when they are not complied with. Monsignor, in no country in the world are priests, nuns, and laity above the law.

I would like to request that you propose the date for the next meeting of the Dialogue Commission. I have made this same request to the nuncio in a recent communication, since we were not able to set a date during the latest meeting because you said you were too busy.

I sincerely await your reply to continue with the true and constructive dialogue we have been holding.

Best regards,

Rene Nunez Tellez, minister of the presidency...providing additional letter.

FOREIGN DELEGATES ADDRESS 3D PCC CONGRESS

Angola's Antonio dos Santos

FL061521 Havana Radio Rebelde Network in Spanish 2251 GMT 5 Feb 86

[Speech by Antonio dos Santos, member of the Political Bureau and Central Committee of the Popular Liberation Movement of Angola-Party of Labor, (MPLA-PT), and chief of the general staff of the Angolan Armed Forces, at the 5 February session of the Third Congress of the Communist Party of Cuba in the Palace of Conventions in Havana -- recorded]

[Text] Long live the Third PCC Congress! Long live Cuba! [people shout "long live!"] Long live Angola! [people shout "long live!"] Long live Fidel! [people shout "long live!"] Long live dos Santos! [people shout "long live!"] Dear Comrade Commander Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers of the Republic of Cuba; esteemed delegates; dear comrades and friends:

It is with great honor and deep emotion that we bring to you warm and combatant greeting from Angolan revolutionaries. We are the bearers of the fraternal greeting of MPLA-PT members, its Central Committee, and President Jose Eduardo dos Santos, to the brave Cuban communists and their dear leader, Comrade Fidel Castro, whose image of a consistent patriot and intrepid revolutionary combatant places him among the most distinguished and admired fighters for the causes of the oppressed peoples of the world. [applause]

The greeting we bring expresses the indestructible brotherhood that exists between our peoples, parties, and states, a brotherhood founded in the bloodshed in the defense of the noble ideals of socialism and against imperialist aggression. Therefore, we have more than enough reason to feel proud of the great friendship and ties of solidarity that unite us to the Cuban people, who along the path opened by Cespedes, Maximo Gomez, Maceo, and Marti have added new chapters in the history of coexistence among peoples.

The MPLA-PT and the Angolan people render the highest tribute to the heroic sons of Cuba who, on the Angolan battlefields, without fearing danger of sparing sacrifice, have stood side by side with the Angolan combatants to defend Angola against the imperialist aggressions. Many of them have stained, with their blood, the glorious flag of proletarian internationalism. [applause]

(Quifangondo), (ebo), quibala, (cajama), (onjiva), and (zumbe) are only some of the insurmountable frameworks of the common effort in which the enemy, in the face of a humble people, had his bitter taste of defeat. No force will be able to defeat the determination and self-denial of the Angolan and Cuban combatants. As Fidel said, the victory in Angola was twin sister of the victory in Giron. For the Yankees, Angola represents an African Giron. [applause]

Comrades and friends, the fact that the Third PCC Congress was inaugurated precisely on the day in which the hearts of millions of Angolans, from Cabinda to Cumene, were beating as one, greeting the glorious 4 February 1961, the day when our heroic and generous people began their victorious struggle for national liberation, is very meaningful. It was equally meaningful that the Second Congress of the MPLA-PT was inaugurated on 2 December 1985, the same day on which, 29 years earlier, the heroic people of Cuba began their armed struggle against the tyranny with the landing of the Granma. [applause]

This was the beginning of a period that would conclude with the insurrectionary victory on 1 January 1959.

One week after the guerrilla struggle began on Sierra Maestra, on 10 December 1956, the Angolan people, through their favored children, founded their revolutionary vanguard, the MPLA, the leading force that would successfully lead the struggle for national independence. The result of these similarities led to the growth of the revolutionary forces in our two countries. Later these forces would write brilliant pages of internationalist solidarity in the history of world revolutions.

Taking advantage of this solemn moment allows us to render the most warm and vibrant tribute to the thousands of Cuban laborers, doctors, nurses, professors, and technicians of various specialties who are carrying out an important task, giving the Angolans much help in their battle for national reconstruction and the construction of the technical and material bases for the establishment of socialism in the homeland of Agostinho Neto. [applause]

Esteemed comrades, dear friends: with much attention and interest, we heard in Commander Fidel Castro's firm voice the report of the Central Committee before this congress. With great satisfaction we have seen that, more than a report, this is a rich document at the level of the gigantic stature of the thousands of communists in this country; a document of unusual scientific value. The Central Committee report before the third congress represents a great contribution to the development of the world revolutionary process.

We are very pleased to hear of the meaningful achievements made by the Cuban revolution, the high degree of fulfillment of the tasks established by the second congress which are expressed in the significant improvement in the living conditions of the people. This is unequivocal proof of the level of organization, discipline, and unity of action that characterize the Cuban party and people, who struggle constantly for the construction of the first socialist society in America.

Only miles away from the biggest imperialist power, Cuba is today a socialist country whose people offer the most valuable contribution to the struggle of the oppressed people who struggle for freedom, democracy, and social progress. As a result of its ability to defeat the maneuvers and acts of aggression of Yankee imperialism, and with the support and solidarity of the socialist countries, led by the USSR, they made it possible for this beautiful and revolutionary island to be built on the first free territory of America. The Cuban experience strengthens our conviction that only a party built on Leninist principles can correctly interpret the interests of the working people, establish and guarantee a solid political awareness for the uncompromising defense of the revolution.

Also of great importance are the conclusions of the PCC report on the crucial problem of the foreign debt of the underdeveloped countries. It is a problem that the creditors can no longer silence. We believe that this issue must be included among the problems of the new international economic order demanding a global solution. Only in this manner will the Third World countries be able to undertake the path of development.

As I said before, in December we held our second congress in Angola. At that time we analyzed in depth the main aspects of the evolution of our society in the past 5-year period. We analyzed the military, social, and economic situation, as well as the development of the international situation. Our congress established that the difficult situations of war -- in which imperialism promotes the use of weapons to perpetrate its domination over the wealth of the region -- created difficult and complex problems of the young Angolan revolution, such as protecting the essence and contents of the revolution against all attacks from its enemies, guaranteeing our territorial integrity and domestic order and correctly defining the methods of political action so as to increase the people's trust in the revolution.

The results of the second congress were an expression of a broad democratic process that, despite some deficiencies, has demonstrated the growing political maturity of the party's militant masses and created conditions for a greater association between the party, the working masses and the people, and for the party's revolutionary actions to gain vitality and scope.

Esteemed attendees, your congress is taking place at an especially difficult moment for the international situation -- a moment in which imperialism, led by the United States of America, incapable of confronting the deep crisis that is shaking its socio-economic bases, is carrying out an irresponsible arms race and promoting the most absurd areas of tension in various parts of the world, in a desperate and futile attempt to recover the privileged positions that it has lost around the world to the forces struggling for liberation, social progress, and peace.

We are witnessing brutal campaigns of intimidation, threatening acts, and acts of aggression against peoples and countries throughout the entire world. This is the situation in Africa, in the Middle East, in Asia, and in Latin America, where the warmongering circles of the United States, impotent to stay the march of history, attempt in vain to stain the image and the example of the Cuban people and revolution by launching defamatory campaigns with which the attempt to hide the true problems affecting the masses of people in this part of the world, problems which are the result of the exploitation, pillage and domination of the multinational firms and their local agents.

The popular struggle being carried out throughout the American continent for democratic liberties is not promoted -- as lying imperialist propaganda claims -- by the Cuban revolution. This struggle reveals the firm decision of the peoples of the region to achieve true independence from the most ferocious military dictatorships that oppress and exploit them.

The People's Republic of Angola is a country located in the most troubled part of the African continent, where every day the bellicosity of imperialism is felt, launching its principal pawn in the region -- the repugnant racist regime of South Africa -- on military adventures. Our opinion on the situation in southern Africa was clearly expressed in the speech by our president at the last session of the People's assembly when he said: The principal focus of tension and war, racist South Africa, has shown aggressiveness that tends to grow and become more and more violent the closer the apartheid regime comes to its end as a result of the heroic struggle of the South African people.

Without doubt, the death throes in which it finds itself has made the apartheid system despair, as is proved by the attitude recently taken against the Kingdom of Lesotho, a defenseless little country which is completely surrounded by South Africa but which has courageously been affirming it's inalienable rights as a free sovereign nation. South Africa's arrogant decision to decree an economic boycott against the Kingdom of Lesotho must serve as one more proof for the world of the aggressive policy of the Pretoria regime, which, in the violence against its neighbors seeks a solution to its own internal contradictions, the causes being not in those countries but rather in the nature of South Africa's system, which denies the overwhelming majority of its citizens their most elementary rights.

The racist South African regime does not respect the sovereignty of any country in the region. It systematically violates the agreements and pledges it makes to these states. It does not respect UN resolutions, etc. It is in fact the chief element disturbing the peace in southern Africa. In our last contact with U.S. authorities, we clearly said that Namibian independence could reduce existing tensions but no longer constitutes a guarantee of security for Angola because the attack against the oil installations in (Malonga) and Cabinda was organized and carried out by South Africa.

This country has the capacity to produce nuclear weapons and can attack us at any time even after Namibia becomes independent. For this reason, it is not realistic to demand the total withdrawal of Cuban internationalist forces from Angola in the present situation. [applause] We cannot accept conditions that endanger our territorial integrity. We do not trust the good intentions of the aggressors because they continue to actively carry out actions against our people and other peoples in the region. They have not yet proven to us that they are capable of adopting another attitude. For this reason, we believe that the only guarantee of peace and stability in the region is the destruction of apartheid, as the entire international community demands. [applause]

We observe with deep indignation the constant violation by the racist regime of Pretoria of the most elementary norms of international law; Pretoria violates the borders of independent sovereign states, invading those states and massacring their peaceful citizens. It recruits, arms, directs, and advises groups of bandits formed by mercenaries who commit the most horrible crimes against their own peoples. All of this is looked upon with benevolence by some western powers which refuse to apply obligatory global economic sanctions against the racist regime, sanctions called for by the international community and recommended by the United Nations, the Nonaligned Movement, and the Organization of African Unity.

Some states such as the United States, instead of contributing honestly to the solution of the problems of southern Africa by honoring their international obligations, adopt positions that only worsen the state of tension, thus endangering international peace and security. How can the attitude of the U.S. Administration be understood when, represented by its top leader, Ronald Reagan, it stains the foundations of bourgeois American-style democracy by receiving the criminal Savimbi, who is responsible for the genocidal murder of thousands of men, women, children, and old people whose only aspiration was to live in peace and liberty. We believe that such an attitude represents not only a kind of repression but also an authentic declaration of war by a superpower against a small, underdeveloped country like Angola. Nevertheless, the Angolan people, directed by the MPLA-PT -- which has the historical merit of unleasing the armed struggle of the peoples dominated by Portuguese colonialism, and which in extremely difficult circumstances resisted the criminal colonial war, destroyed the puppet hordes of imperialism in the early days of independence, and destroyed the myth of the invincibility of the South African racists -- stand erect and stronger than ever to resist continuing South African aggression and the aggression of mercenary bands organized and financed by this regime.

We are sure of victory. Our people have the historical privilege of having one of the most brilliant proofs of international solidarity. Together with the brave Cuban internationalist combatants and with the undying support of the USSR and the countries of the socialist community, they will repel the imperialist beast, and Angola will continue to be a firm bulwark of the revolution in Africa.

On diverse occasions, our president has reiterated that the People's Republic of Angola has no territorial ambitions, and that no MPLA soldier or Cuban internationalist has even once crossed Angolan land, sea, or aerial borders with aggressive intentions. Quite the opposite, we have been forced to wage war in defense of our sacred soil, constantly attacked by the South African racists.

The racists now try to exchange for mercenaries one of the greatest fighters of the black people of South Africa, Nelson Mandela. Once more the desperation of the leaders of the anachronistic racist South African regime has become manifest because they cannot manage to find solutions to their own problems. Reality will teach then that the only path is the path of unconditional liberty for all political prisoners, including Nelson Mandela, and the abolition of apartheid. [applause]

We support the just struggle of the peoples of Namibia and South Africa, directed by their legitimate representatives, the Southwest African People's Organization and the African National Congress, for their independence and freedom.

We affirm our solidarity with the struggle of the peoples of Western Sahara and East Timor for self-determination and independence. We support Sandinist Nicaragua, which we are sure will defeat imperialist aggression. We salute the liberation struggle of the people of El Salvador and other peoples in Latin America, Africa, and Asia who fight for liberty and democracy. In the case of the People's Republic of Angola, imperialism may continue to attack us, sending terrorist groups to destroy economic objectives and massacre its defenseless people. Nevertheless, the Angolan people will remain firm and, whatever the cost, the people's revolution will win. [applause] Angola is and will be, of its own will, a firm bulwark of the revolution in Africa. Long live proletarian internationalism! The struggle! To victory! Fatherland or death! We shall overcome! Thank you. [applause]

Dos Santos Interview

FL061957 Havana Tele-Rebelde Network in Spanish 1549 GMT 6 Feb 86

[Interview with Antonio dos Santos, member of the Political Bureau and Central Committee of Angola's MPLA-Labor Party and chief of staff of the Angolan Armed Forces, by an unidentified reporter at Havana's Palace of Conventions; date not given -- recorded]

[Text] [Reporter] We would like to hear your opinion of the main report submitted for consideration of the congress.

[Dos Santos] Well, we did not expect anything else but a report such as that one. We feel it is a very important document, mainly for us inasmuch as ours is a developed [as heard] country. We have seen and listened with great attention to the successes of the Cuban revolution, principally during the last 5-year period following the second congress. In addition, we have listened with great attention to the criticism expressed by Commander Fidel himself of the deficiencies. It was a very energetic, very analytical criticism which, in fact, touches upon all areas of development and the people's affairs in general. The document also noted the great successes of the Cuban revolution in recent years which we have noted during our visits to your country. For us, it is a great pleasure that the Cuban people, an internationalist people closely linked to our struggle against our enemy, have attained such successes. For us, the successes of the Angolan revolution. [as received]

[Reporter] There is a historic similarity in all this. On 2 December, the anniversary of the Granma landing, the MPLA-Labor Party congress began in Angola and, precisely on 4 February, the Third Communist Party of Cuba Congress began. What is the significance of this date for the current struggle being waged by the Angolan people against South African aggressions?

[Dos Santos] It is important for us to note that we are very happy because the Cuban party congress has begun precisely on 4 February, one of the most important dates for us because it marks the beginning of the Angolan people's armed struggle for national liberation. Some 25 years ago, a group of comrades attacked the jails and we can compare that event with the assault on the Moncada Barracks almost the same event marked the beginning of our struggle. We coincide in many ways. It is significant to note the similarities between the Angolan and Cuban peoples, between the Angolan and Cuban revolutions. One of the more important similarities is that we are both struggling for development, for building socialism in our fatherlands. That is why we are part of the common struggle against imperialism, against exploitation, and for the freedom of all peoples.

[Reporter] How would you categorize relations between the parties and governments of Cuba and Angola at the present time?

[Dos Santos] Relations have always been good, not only because of the similarities, but in practice. We continue to struggle for development. We continue to struggle against our enemies, and we have asked for considerable aid from Cuba. Its combatants help us fight the imperialist aggression in various areas of our country, especially from South Africa. This is a puppet of imperialism, nothing else but Yankee imperialism. Our relations are good. Our cooperation is not merely restricted to military assistance. Everybody believes that Cuba's cooperation with Angola is merely military. In Angola we have thousands of Cuban doctors, nurses, workers, builders, professors, and teachers who are helping Angolans throughout the entire country. They help us in construction work.

[Reporter] We want to express our gratitude to Comrade Antonio dos Santos, member of the Political Bureau of the MPLA-Labor Party and head of the Angolan delegation to the third party congress, for granting us this interview for Tele-Rebelde.

FURTHER COVERAGE OF 6 FEBRUARY PCC CONGRESS

Balaguer on Approval of Main Report

FL072228 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1420 GMT on 7 February carries extensive recorded coverage of speeches delivered at the 6 February sessions of the Third PCC Congress. Video coverage includes discussion and approval of the main report by PCC Secretary Jose Ramon Balaguer, who refers to the main report presented by Comrade Fidel Castro Ruz, saying: "It objectively reflects, through a brilliant and accurate analysis, the work carried out to fulfill the guidelines for the 1981-85 5-year period, which were approved during the party's second congress."

Balaguer adds that the central report "fully outlines the problems which we have had to deal with during this period," including "U.S. imperialism's hostility and the stepped up blockade, weather problems, and deficiencies in every sector," for which we are responsible and which must be solved. The PCC secretary says "Fidel's example has shown us how to act, the spirit of self-criticism we must work with, and how we must counter these problems, deficiencies, and faults. In other words, he shows us what a communist's conduct must be."

Balaguer also said the congress values highly all the support and solidarity received from the socialist community, "particularly the aid offered in every sense by the Soviet Union." He continues to praise the main report's conclusions on the "formidable" efforts exerted for the organization and development of production and services; increased productivity; increased exports and replacement of imports; improved quality control and fuel savings; and other sectors. He adds that the main report "clearly states the main goals which our party, state, and working people will struggle to achieve in the near future."

PCC Secretary Balaguer continues, saying the main report "faithfully sums up the great effort exerted and results obtained in defense tasks and the country's preparation of all for the people's war if an imperialist aggression" makes it necessary. He adds that "the congress firmly supports the foreign policy carried out by our party and state and believes it is firmly based on their principles."

Balaguer also refers to the economic and social plans for the next 5 years, saying "they are an essential part of the development strategy to the year 2000." He says the main report is a historical political document, and its contents represent the best base for the party's draft program, given that "it summarizes the fruitful perspectives for our homeland" and the Cuban people's awareness of its importance.

Balaguer sums up the statement, saying that "the Third PCC Congress fully approves the main report presented for its analysis" and adds that those who are members or wish to be members of the party should analyze it in depth, and it should become an essential part of the communists' preparation process. He adds that the third congress urges the party, youth organizations, mass organizations, state and government organizations, and all the people to renew their efforts to successfully counter the multiple and complex tasks which must be carried out for building socialist society in their homeland.

Castro Remarks

FL071557/FL072101 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1320 GMT on 7 February presents recorded excerpts of the proceedings of the "last session" (not further identified) of the Third PCC Congress.

With respect to the organization of the economic and social guidelines for the 1986-90 5-year period, Lionel Soto, vice chairman of the committee which analyzed the document, reports the findings of his work group. He says "the draft of the guidelines responds to the critical statements in the main report."

Referring to "the need for expanding exports in the production of goods that can substitute imports, which continues to be one of the main objectives," Lourdes Garcia from Matanzas province says: "With respect to quality, efforts have been made to attain the levels of production required by current contracts."

Manual Cordero, a delegate from Villa Clara province, notes the need for making the best use of manpower. Homero Crabb, a delegate from Cienfuegos Province, refers to the need to stabilize our country's work force, mainly that linked to the investment process. He says training of the work force and leadership cadres for building and operating various projects requires special attention in the development of the investment process. He complains about inadequate work forces for initiating projects.

Fidel Castro interrupts Crabb to say: "One of the problems we are confronting is that we are training our work forces in Japan, Europe, many times in the Soviet Union, in many other countries, such as the GDR, and later on, when the factory is completed, many of them have already begun working in another industry.

You were probably referring to the Cienfuegos cement plant. We had some of those problems there. How many of the personnel were trained abroad?"

The delegate responds that 176 workers had been trained abroad, and approximately 134 are now working at the plant. He adds that some have returned to the plant, but a large number have been lost. In response to Fidel's question as to what he suggests as a remedy since Cienfuegos has had experience in this problem -- that is, "when the work force is trained for a certain factory, and the work force goes elsewhere" -- the delegate says several factors have contributed to the problem so it requires an overall solution. He blames delays in completion of the factory, and, consequently, the personnel had been underutilized following the training period. He notes there is "a need to be more careful in creating the conditions for stabilization of the work force, and that the personnel must learn to love their work places, their duties."

Castro interrupts: "I agree with all that, but we cannot conduct any type of political work with the youths we train to work in those industries. There must be a commitment that when training is completed, that when they are recruited, they must make a commitment of a certain number of years to work in the factory. For example... (leaves thought unfinished) one would think that all those ideal conditions can be created to keep them there, but there must be a commitment also on the part of the work force that is being trained. I believe...we are on the verge of...I believe the first amounts of nickel have already been produced in a great industry in the western end of the island. Perhaps, Marcos (not further identified) could tell us what measures were adopted in training the work force for that gigantic plant, some 1,000 men."

Responding to Castro, delegate Marcos says that at the Che Guevara nickel plant all the workers were tested on their job duties. He says they were trained in Nicaro, Moa, and other places. He adds they were given further training on the job. He says this testing has led to improved discipline, and will help in the construction of housing for the workers, some of which is already completed.

In response to Castro's question, delegate Lazaro Vazquez explains Camaguey's experiences in this connection. He says: "The first thing needed is good selection, in which the party intervenes. We inspect all projects, but not only do we inspect the construction, but what kind of progress the work force assigned to the factory is making. This experience applies to a large or a small project. Lastly, commander, housing plays an important role. If the population surrounding the factory grows, there will be stability in the work force."

Castro adds: "In that large Camaguey factory, the mechanical plant, is housing going to be linked to the industry or is it going to be a part of the housing law?" The delegate responds that the housing is part of the industry complex.

The announcer then reports that "in the afternoon session there was a dialogue among Fidel, Raul, and several delegates from Santiago de Cuba Province on the operation of the Celia Sanchez Manduley textile mill in Santiago de Cuba. The announcer adds that Fidel had noted that we had been able to organize a production process under the most adverse conditions. Delegate Ismael Rodriguez Camacho from Villa Clara Province referred to the people's efforts to recover from the damages caused by Hurricane "Kate." The announcer further states that the congress had adopted a resolution praising all workers who made such a feat possible.

Havana Tele-Rebelde Network in Spanish at 1620 GMT on 7 February presents a 26-minute recorded segment of Third PCC Congress discussions of economic issues, presumably during the 6 February afternoon session, by several delegates and Fidel and Raul Castro.

Maria Garcia Alvarez, a delegate from Santiago de Cuba Province, is given the floor. In her remarks, she reports on a study conducted in her province to determine measures which will allow increased production and new sources of employment in an area where the population can provide the necessary human resources. In closing, she says that "her delegation wishes to a ratify the imperative need to continue working to find and utilize productive reserves that will contribute to the attainment of the objectives outlined by the commander in chief and included in the economic and social guidelines for the 1986-90 5-year period."

Fidel Castro says: "Maria, you have raised a very interesting point on factory use, the possibility of two shifts in many factories, and the fact that the western provinces, including your province -- I did not refer to this in my report -- grew at a faster rate than the others. They grew at twice the rate as Havana, at least two and a half times. You will have the manpower, which is very important.

"While you were speaking, I was thinking about the large textile complex you all have, which is quite a challenge for the aims you spoke about -- to satisfy national consumption and increase exports. The textile complex, which has a capacity of 80 million...(Castro changes thought) what can you (?tell us) about the progress made by the complex, about the use of the complex's capacities? I know you work in the university but are also a member of the party bureau and may have some information. If you do not have much information on the plant, perhaps you could recommend someone who has it to clear this up for us."

Delegate Garcia Alvarez responds: "I would like to say that in this study the analysis of the textile mill, of course, is not included. We are planning another study which will be broader and will include the textile mill. This is a very interesting problem." She further adds that the province is trying to reduce losses, and the textile mill has a large share of the losses.

Fidel Castro interrupts: "What kind of losses? To which kind of losses are you referring?" She responds that they deal with efficiency and profitability. Castro says: "Your plant is not in operation; many of your workers are undergoing training. I believe you have already begun receiving workers who trained in the GDR, Czechoslovakia, and other countries. There are quite a few of those. Perhaps one of the comrades could give us some more information on this." Delegate Garcia Alvarez says she will let Eloy (not further identified) explain, adding that he is the party secretary in the textile mill.

Eloy says he believes the mill is not fulfilling its maximum capacity. Castro asks how many workers are assigned to the textile mill, and Eloy responds: 7,300, working three shifts. Castro asks: "What percentage of the machinery is in operation? In which year did you begin operations?" Eloy says 1984. Eloy further explains that since he said the mill is not being used to its maximum capacity, he would like to add that the training and qualifications of the work force play an important role in that factor as well as a leadership capable of guiding the work force. He adds that the work force trained abroad arrives at the work place and the factory is not yet ready. He says that such a work force is among the most productive of the complex.

Castro interrupts: "They are well trained; the problem is keeping them there, because they have other possibilities, other options in other enterprises. Please explain what you are saying in a way that the guests will understand, because we have a problem here which is not common in the rest of Latin America, for example. That problem is that the workers have to fight for their jobs, while here the possibilities of employment of those workers are many. Then the enterprise is the one that has to fight to keep the worker in the factory. [applause] How many militants do the Union of Young Communists [UJC] have? It is about 80 percent of youths in the factory.

"You should not have many party militants there." Eloy says there are 470 party members and 1,300 members of the UJC working in the textile mill.

Raul Castro breaks in: "Comrade secretary of the Celia Sanchez textile mill: With so many youths, probably some of them party members -- that is a 24-hour operation enterprise, it it not? -- a factory such as that one, because of its location, how many battalions of the territorial troops militia do you have there? You can explain all you want, that is no secret. We have workers with their weapons in so many factories, that is no secret. Has the party determined the number of rapid mobilization battalions that can be organized there?" Eloy says approximately 1,500 men. Raul Castro asks: "How many per shift? And how many women included in them?" Eloy responds that 47 percent of them are women. Raul Castro asks: "How many workers in the smallest shift?" Eloy responds 1,100 workers, and adds that they have the weapons but the battalions have not yet been organized. Raul Castro interrupts: "After the battalions are organized, then you will have the weapons inside the factory, protected by the workers themselves. That truly is democracy." Raul's words are followed by prolonged applause.

FIDEL, RAUL CASTRO ADDRESS 7 FEB PCC CONGRESS

Opening Session

FL072109 [Editorial Report] Havana Television Service in Spanish at 1800 GMT on 7 February begins a live report by an unidentified announcer from the Palace of Conventions in Havana on today's morning session of Third PCC Congress. The announcer confirms that the congress will conclude today and adds that more than 1,700 delegates to the congress have exercised their right to a direct and secret vote. The report is accompanied by video shot of Fidel and Raul Castro voting behind curtains and then shows Fidel depositing his vote for the Central Committee, while the delegates applaud and cheer.

The announcer reports that the newly-elected PCC Central Committee will be presented during the afternoon session and will hold its first meeting to elect the first and second secretary, other Politburo and Secretariat members, and the president of the National Committee for Party Control and Assessment.

The announcer concludes, saying that during these past few days of sessions the congress has analyzed and approved highly important documents for the country's political, economic, and social life during the next 5 years.

Fidel Castro Names PCC Officials

FL080229 Havana Domestic Service in Spanish 2314 GMT 7 Feb 86

[Speech by President Fidel Castro Ruz at the closing ceremony of the Third PCC Congress, at Havana's Palace of Conventions -- live]

[Text] Comrade guests, comrade delegates, and especially Comrade Fabio Grobart: While you were speaking I thought I could agree with your words, but the opposite is true. You said you had the privilege of founding the first Marxist-Leninist party, together with Mella, Valino, Mella, Martinez Villena, and that later during the first, second, and third congresses you had announced that you elected me or announced that I had been selected as part first secretary. What actually constitutes a privilege for our generation and for anyone in my position is that a man like you arrived in our fatherland from far away lands when our fatherland was a Yankee colony, and you carried out the task, together with those comrades, of founding the first Marxist-Leninist party in 1925.

How far away it seemed then, the time when our fatherland would be free, when we would begin to (?fulfill), to find socialism, to apply those ideas you defended so long ago, just as independence and revolution seem far away in Puerto Rico today, although we all know that independence and revolution are not so far awary, that the time will also come for the fraternal Puerto Rican people. [applause] You believed in the future, and you lived those moments. They must have been extremely exciting, and we see clearly they were of great merit. You are here with us. You honor us with your proverbial presence, wisdom, experience, and honesty. It is as if history were present here. It is as if the comrades who founded with you the first Marxist-Leninist party were here with us, [applause] as if they were living witnesses of our struggle and successes. Since we are now also writing history, we hope future Cuban revolutionary communist generations may have the privilege in 50 or 60 years to also meet in a congress and speak of these things, giving them the privilege of having many men like you [applause] who can also talk to them.

Comrade delegates, comrade guests, I shall announce the agreement reached about the recently elected Central Committee members. First I am going to talk in general about the agreements and later express some thoughts about these agreements, which you do not know about yet, and about the agreements made by the congress which our people still do not know about. I believe this event is being carried live and directly. They do not know that . . . [Castro changes thought] they assume they have been elected, they do not know the results of the election of the Central Committee and what criteria was used. Although I may repeat some words, some concepts I expressed to you this morning, I am also going to refer to the subject for our people's information.

Comrade Favio has already explained about the election of the first secretary. It was necessary to elect the second secretary because, as I explained at that plenum, it has been a tradition in our country since the first years when the imperialists planned to behead the revolution. However, we knew that revolutions could not be beheaded, because revolutions are not made by men; men simply participate in the revolutions; the revolutions are preceded by ideas, and ideas cannot be beheaded.

Anyway, during that phase we also understood the role of individuals, so we adopted the decision that the revolution should always have a second leader, and we have ... [changes thought] we also said today, and we have said this many times, that we believe that as long as those circumstances, prevail, as long as we have to face a powerful, perfidious, traitorous, and criminal enemy... [changes thought] what other words can I use if they have spent dozens of years trying to assassinate us? They, who talk about terrorism... [changes thought] they are so shameless that they talk about terrorism when referring to a revolutionary movement and have spent almost 27 years trying to assassinate the leaders of the Cuban revolution. This is not something I have made up; it was admitted by the U.S. Senate, which gave full details. However, they did not mention everything, not by a long run; they did not mention everything we know about.

So we established a system that will have to last a long time, perhaps forever, because it is a good system. The party must have a second secretary, the revolution must have a second leader, and that second secretary and second leader has all the attributes to lead the party and the revolution, and he will assume his functions if -- for any reason -- the first secretary dies, gets sick, or goes mad [laughs] while at the Central Committee as I said, and this could happen! [audience laughs] I hope that this will not happen, but I have to admit [laughs] that this is a possibility! [applause] We said today that this is not a family matter or anything like that.

Hence, the second secretary was elected; he was elected by the people, above all. The first time this was discussed it was during a gigantic mass event. This has always had the approval of all our people and our state. I have not promoted something. It had to be someone who, in our people's opinion, has all the attributes to be a substitute -- which is what we have advocated at all party and state levels. We wanted this enforced even at the highest level of the revolution, because it is a tradition.

I recently mentioned this because some journalists -- even a legislator -- asked me about this topic. There are some who even wrote a book based on a lengthy interview. I explained this and they were surprised; of course they were, because these people create so much confusion in the world, with their mass media and so much misinformation... [changes thought] because this is a misinformed world, because the imperialists have misinformed the world. The same applies to the U.S. people, because they are the most misinformed people in the world. The U.S. people have no idea where Mexico is located; they do not know whether it is located to the east, west, or south. The southwest is too much for the average U.S. citizen if you mention cardinal points!

I cannot deny that the country has a lot of people -- and some good journalists, by the way -- and a minority that can be among the best informed in the world. However, the great masses are not well informed. They are always creating confusion and when the book recently came out and the press commented on it, rumors abounded. [sentence as heard] This is something as old as the revolution itself.

Therefore, the first step was to elect the first secretary; then came the election of the second secretary. Upon our proposal, Comrade Raul Castro Ruz was elected second secretary. [applause; chanting; man shouts: "Long live Raul!" people shout: "Viva!"]

Based on these circumstances and the need for the party to have a second secretary, we always adopt certain measures because we have a high sense of responsibility. Raul and I never travel in the same airplane [laughter]; we never travel in the same automobile; and we try to take whatever measures can be taken. Sometimes we are in the same building [laughs], but not in the same congress [as heard] so as not to give the enemy an opportunity.

Well, if the enemy were wise, and of course it is not; if the enemy were intelligent, and of course it is not; if it had any skill, and of course it does not because it has reaped an incredible amount of failures during the last 27 years concerning attempts to kill leaders of the revolution, and they have not been able to kill anyone even though we have a lot of leaders [laughter] they have not been able to kill anyone! [applause]

I think Carlos Rafael [Rodriguez] grew careless in the beginning and went to a meeting in Matanzas. He was calmly coming down a highway and someone fired some shots at him. The truth is that I was extremely worried. I said to myself: No, how can they possibly kill Carlos Rafael like that, on a highway? I remember that I, myself, tried to see how we captured those who had perpetrated that felony against Carlos Rafael. I went quickly and asked: Where is Carlos Rafael? He had not arrived, and we were already there. In those days we did not have the organization we have now [laughs], but we did have a spirit of adventure and a tremendous guerrilla courage. [laughter, applause]

I knew that some specially trained dogs had arrived [laughs], and I said: Bring those dogs! There is not time to lose! Call and tell them to bring the dogs [laughter] to see if we can locate them. I knew the area well because I am always visiting many places. I used to visit more places than I do now. I knew there was a small road to Jibacoa and there was also a freeway; knew those roads because I had been a guerrilla member. I thought: they must go through this area while withdrawing.

Let us try to... [changes thought] confound it! We got there before the dogs did [laughter] and we immediately found a man. He was critically wounded; he said that he was about to throw a grenade when it exploded. We tried to save the man -- we have always done the same whenever we find a wounded enemy -- and travelled quite quickly. However, he died before he could get some assistance; he had bled to death. The dogs arrived later. We searched everywhere, we checked everywhere, and we even followed some tracks until we came to the highway. The problem is that the dogs could not follow the attackers along the highway. They were not trained to do this. [laughs]

They finally escaped. I believe they were captured later, I think. A ministry comrade of that time said he was captured. And later, some ill-disposed individual said he was going to be punished for failing to harm Carlos. Those vicious talks. We were irritated by it. It was a treacherous attack. Many of those were planned everywhere. And I was going to say that if the enemy was so smart and was successful and killed the leaders of the revolution, we would not lose sleep over that either. I am sure the Politburo and Central Committee would meet and name a new leader because there are many with the ability to carry out this task in our country. [applause]

Immediately, full Politburo members were elected. I am going to list them in alphabetical order. When all comrades are mentioned, when all come up on the stage, when all elected comrades are mentioned -- full Politburo members, alternate members, Secretariat members...[changes thought] I imagine you are impatient and want me to read the list. [laughter]

I am going to mention in alphabetical order the names of full members. The following were elected: Comrade Juan Almeida Bosque [applause; camera cuts to each leader named, who in turn rise, to acknowledge mention], Julio Camacho Aguilera [applause]. Osmani Cienfuegos Gorriaran [applause], Abelardo Colome Ibarra [applause], Vilma Espin Guillois [applause] -- and here I am going to repeat what I said to the Central Committee, it was not easy for me to make this recommendation, but I got rid of everything which could be considered prejudice and I forgot she is a close relative; I remembered her background, her merits, her prestige, her status as a revolutionary woman, and then had no problems in nominating her to the Central Committee [applause] -- Armando Hart Davalos [applause], Esteban Lazo Hernandez [applause], Jose R. Machado Ventura [applause], Pedro Miret Prieto [applause], Jorge Risquet Valdes [applause], Carlos Rafael Rodriguez [applause], and Roberto Veiga Menendez [applause]. I am going to review the list so that I do not forget anyone. They are listed in a column and it already happened to me -- I forgot one when I made the nominations to the Central Committee. [brief pause] I believe no one is missing. If anyone is missing, please raise your hand! [laughter] No one, right? Alright, these are the comrades who were elected full members of the Politburo [applause].

The following comrades were nominated and elected alternate members [and are listed] in alphabetical order: Luis E. Alvarez de la Nuez [applause], Senen Casas Regueiro [applause], Jose R. Fernandez Alvarez [applause] -- better known as the Gallego Fernandez, our experienced and efficient education minister -- Yolanda Ferrer Gomez [applause], Raul Michelle Vargas [applause], Julian Rizo Alvarez [applause], Ulises Rosales del Toro [applause], Rose Elena Simeon Negrin [applause], Lazaro Vazquez Garcia [applause]. There is a total of 10 full members and 10 alternate members.

Wait, someone is missing! Raise your hand! And where is Pepe, who has not raised his hand? Well, it happened again because this list is like this and I do not have a pencil to mark them one by one and I should have put a check mark next to Ramirez Cruz's name.

I forgot about him. [laughter, applause] Indeed, among the alternate members is Jose Ramirez Cruz, our worthy representative of the peasants in the bosom of the revolution, whose name was missing. [applause]

I was saying that there are 14 full members and 10 alternate members. Later, I will make some comments about this.

As party Central Committee secretaries, in addition to the first and second secretaries, the following were nominated and elected: Jose R. Machado Ventura [applause], Jorge Risquet Valdez [applause], Julian Rizo Alvarez [applause], Jose R. Balaguer Cabrera [applause], Sixto Batista Santana [applause], Jaime Crombet Hernandez-Baquero [applause], Lionel Soto Prieto. [applause] Those are the comrades elected as secretaries of the party.

As president of the party's Control Committee Comrade Juan Almeida Bosque was re-elected. [applause]

Comrades, in nominating and electing the Politburo we have applied the same line, the same principles, the same criteria that were explained this morning regarding the list of candidates for the party Central Committee, full members and alternate members.

We talked at length about this, but since it was not being broadcast and the guests were not here, it would be convenient for us discuss... [corrects himself] to repeat some of the view in a general way, without too many details. We explained to the comrades in the Central Committee that some basic guidelines were followed by the commission working on the party's candidacies for the congress. They also followed an objective to choose the most talented ones. Prior to this we had reached a stand concerning the numbers of members; we wanted to reduce the number of members and their alternates.

In the end we decided not to reduce the number because there prevailed an even more important idea, the idea of a broad renewal among the party's directorate organizations. This had never been done before; the renewals were merely symbolic, because when the time came for making a renewal we faced the enormous merits, revolutionary background, prestige, and human attributes of the comrades comprising that mass of the party's Central Committee, province committee, and municipal committee -- each one at his own level. The problem was always solved the easiest way: increasing the number of members in the committees. Consequently, the renewal was merely symbolic. Sometimes it was difficult for the comrades to understand this, because they saw this as a demotion, as criticism, as a negative evaluation of their work; and this was not so. We simply needed renewal, and we had to replace some comrades in order to achieve this renewal, even though they had all the good attributes and merits. It was necessary to renew the party or increase its membership.

We mentioned that if we had followed that principle it would have been necessary to increase the Central Committee by at least 80 or 90 members and alternates each year [corrects himself] each congress. One day we would have to use the Karl Marx Theater for a Central Committee meeting. I told you this somewhere else, and I repeat it here, in front of the people and journalists who are listening. We know that the party has problems every time there is need for a renewal concerning the number of members in the provinces, municipalities, there is a constant struggle and insistence to prevail, to maintain that spirit of comradeship, solidarity, friendship, and affection with the comrades. We have come to the conclusion that the examples had to start at the congress and the Central Committee when the time came to elect members.

We firmly adopted the decision; we had to maintain the same number. It would be even more traumatic and difficult to reduce the number, but we had to enforce the principle of a necessary renewal.

We had never really made a renewal, only symbolic renewals. Therefore we had to carry out an overall renewal with one-third -- or more than one-third -- of the members. Once the decision had been adopted and the lists had been prepared, the matter was fully discussed during a Central Committee meeting where we analyzed all these problems and, above all, specified the concepts of what a renewal represents, because it had to be done. We discussed the communist and revolutionary reaction of the comrades who must be replaced, because some of them have to be replaced. Some comrades have been members of the Central Committee for 20 years; some were members of the first Central Committee -- and they are comrades with undeniable talents.

If we talk about revolutionary history and merits, then the only way out would be a solution that was incorrect: increasing the number of members. It was not only difficult, it was traumatic; it became more traumatic for us than for the comrades who were going to be replaced, because we have excellent relations of comradeship, friendship, and affection with them. That was the first decision we adopted; it was necessary to act this way in many sectors. We agreed to reduce the number of elected candidates... [changes thought] I already mentioned the ministers and state leaders included in the reduction. The same applies to the Armed Forces, which includes a large number of comrades who have great historical merits and have participated in many internationalist actions -- approximately, we agreed to reduce this figure to 34; in the interior ministry we reduced them from 15 to 8; and so on. The same was done in the workers organization... [corrects himself] I am talking about those chosen as leaders, not as workers, only as leaders. We had to choose from a vast selection, and even though it is difficult to choose among so many, it was necessary if we were going to enforce a policy we thought was absolutely essential. We already talked about this, but I repeat some of those things for the benefit of all our people and party members who are listening right now. We agreed it was necessary to enforce the policy.

We had partially done this during the second congress. During the second congress we gave the Central Committee a strong dose of feminism, a strong dose of workers; these steps were magnificent. However, we had to continue along the same guidelines and promote workers, but not only workers in their condition as leaders; they had to be workers in their condition as factory workers. Well, we had to continue along those lines and insist on three issues, three promotions, three doses. A strong dose of women; a strong dose of blacks and mestizos -- I shall explain about that because we are not afraid to talk about blacks and mestizos. The hypocritical societies that practice racial discrimination are afraid to talk about this, but the revolutionary societies are not. [applause] All this is simply related to the pigmentation of the skin, and they are all alike for us. If you do not feel embarrassed to say white or blond, why do you feel embarrased to say black, or mulatto, or mestizo? Why? Especially in this country, when we are children of mixed blood. This is our greatest source of pride, because it is not a bad mixture, it is an excellent mixture. [applause]

Ask imperialism whether or not this is true. Ask them if it has been easy to dissolve, divide, and crush this mixture. They have not been able to do it, not in this tiny country. They have not been able to divide or play with this radical and socialist revolution, based on the principles of Marxism, guided by the principles of Marxism-Leninism. They have failed. Therefore, the mixture is excellent; [laughter] especially when this mixture is free and is one in which equality and solidarity prevails. That is important, that is what counts.

As we were saying, we wanted to give this a booster shot; a booster shot of youth. We wanted to follow three principles throughout the process of drafting the list of candidates to the PCC Central Committee.

Merit was not excluded from this process. No, merit was not excluded. We were trying to find those with merit from among the bases, the various sectors, the state, the Armed Forces, Interior Ministry, mass organizations, and the party. However, there were three basic principles always present.

As I told you today, the issue of women was important. Women in our country were discriminated against, horribly discriminated against. I explained very clearly what role women were expected to play in past society. Little girls were prepared for marriage, hopefully with a bourgeois. Those little girls not intended for marriage were assigned the role of housekeeper; sometimes married housekeepers. But the main role that capitalism reserved for women was the one played in a brothel; open or hidden prostitution -- there are many ways to cloak prostitution. We remember how they were chosen for their beauty to work in stores, in those big stores of the rich; to work in bars, hotels, and other places. There are many ways to cloak prostitution, preparing those little girls for marriage, to be sold to the highest bidder, was a hidden form of prostitution. That was the bourgeois society, the capitalist society. But the revolution changed all that and freed women.

But there was still some prejudice, and Raul was recalling the first time we organized a platoon of women. We had to separate some rifles -- well, we did not have that many rifles, but we had to separate some 20 rifles -- M-1 semi-automatic and light carbines. What a battle that was. I had to intervene to prove that women could also be excellent soldiers. But the rebels protested, almost all of them protested. Many would say: How can you send a woman? I do not have a rifle, or I have this old rifle. And I would tell them: We are going to give that comrade that good rifle you think you should have simply because she is a better soldier than your are. This was the excuse I used back then. What is most surprising is that the women did prove they are excellent soldiers. The first time that platoon -- the one we name Mariana Grajales -- went into combat, their leader was wounded on a bridge. Usually the rebels, the unconventional troops, would withdraw when their leader was wounded or killed; but those comrades -- all of them newcomers -- continued to fight, destroyed the enemy troops, picked up their wounded leader, took him to the rearguard, and collected all the weapons. [applause] We have seen many similar cases.

I used numbers to explain my point. Half the population is made up of women; they have excellent revolutionary qualities. However, only 21 percent, approximately 21 percent of the members of the party are women. This is irrefutable proof that there are social, historic, and other types of circumstances that limit, obstruct, and hinder the development of women with society. The truth is that the revolution was much more popular among women than among men. This was because women were among the discriminated and oppressed sector that was freed by the revolution. Twenty-one percent of party members are women. It is true that the party was born in the factories, and the labor sector is made up mostly of men, but also because of discrimination women had little access to jobs. This was part of our tradition, what we inherited from that old society based on classes, the society of exploiters. This explains why women are represented with only 21 percent of party membership, even though the women are a part of the most revolutionary and most enthusiastic sector. They have given proof of this in the area of defense; in the organization of the territorial troop militia [MTT]; 1.8 million women volunteered for this. Hundreds upon thousands of women form the MTT and tens of thousands, 20,000 cadres, command cadres, are prepared. The woman's discipline is superior; her devotion to the activities is superior to the devotion displayed by the men. The first units of women officers have joined the army. Fifty-five percent of the country's technical force is made up of women.

At the time of the Second PCC Congress only 12.89 percent of the members were women; after the booster shot we raised it to 21 percent.

The same situation is experienced among youths, and this is bad because youths must be the source of more just ideas, more balanced ideas. A high percentage of comrades are members of the youths but a low percentage within the party. A similar situation was experienced within the people's government. When the people were ready to choose they would say: Well, this one has children, this one this, this one that, and they would choose men. The people, the popular masses, are enough proof. The people are the ones who suggest candidates, and they choose. Well, then, the people discriminate. That is the truth; we see it in history. Despite the booster shot the percentage remains at 12.89. [sentence as heard]

I tell you that sex discrimination has been more prevalent than ethnic or racial discrimination or whatever you want to call it, because of the color of the skin. [laughter] Because on the other one we have made great progress. But on the other one we have historic consequences, historic heritage. Because the same happened with women. The black sector was discriminated against. In slavery, which was one of the most terrible things colonialism did and which lasted centuries, there were tens of millions of men and women who were taken from Africa, enslaved to do work whites did not dare to do in this torrid and tropical climate. But this also happened in the cold north. They had slaves in mild climate areas to pick cotton and other hard work. Our country had slavery until 1886; it has been a century. Later slavery ended, but neocolonialism came, and the Yankees brought us all their racial prejudices; they established them here. I already told you about how there were some schools, the first school I attended until the fifth grade admitted some blacks if they could pay, but other schools, Colegio Dolores, Colegio de Belen, private, religious schools, did not admit blacks. I already told you today the reasons they gave. They appeared to be compassionate when they said: Poor things, since they are so few they are going to feel bad [laughter], but they were not admitted even if they could pay, and very few could pay. Of course, the children of the bourgeoisie graduated, they went to the university, had access to everything. Some poorer sectors, middle-class people, some workers made efforts, but it was almost impossible to have access to those educational levels if they were black. Then there were those people who lived in the poorer areas, in the miserable villages that existed here, in the huts: descendents of Haitians and Jamaicans. I greeted with great pleasure two of those recently elected to the Central Committee. They are two comrades named Robinson, a brother and a sister. They are siblings, and each one lives on their own in two distant places. Havana and Moa. They are originally from Guantanamo. They are outstanding people; they are both young. I asked them: Where did your parents or grandparents come from? From Jamaica. Those Jamaicans migrated to cut cane in Guantanamo. Those two siblings are today elected members with full voting rights in the new Central Committee elected by this congress. [applause] They are two siblings with high levels of academic performance and degrees, great education; they are outstanding. This is possible now. But we still have the heritage, and I say discrimination is an unfair thing that creates rejection and even inferiority complexes in humans; it affects people. But the whites did not live in the lots, the ghettos, the poorest places, the huts, in all those places where they had no schooling, no possibilities. That was the nucleus of lesser culture. I explained that that had an effect.

Also, the group with a better cultural background is able to guide their children in education, help them, encourage them. I explained that for that reason we divided vocational schools by municipalities. There are some municipalities that have more groups; maybe Havana has groups with more education. This was done so that regardless of these conditioning factors of family origin opportunity was present. All that has had an influence.

It is estimated -- an arbitrary estimate -- I explained today that 34 percent of the population is black or mixed race. I say arbitrary because 100 percent have some nonwhite blood, no matter how Spanish they may be. Arabs lived in Spain for 8 centuries. They have at least Middle Eastern blood; they were called Moors, and they are darker than white Europeans. But 34 percent of the population is considered black or mixed race. Black and mixed sectors of the population give wider support because the bourgeois was white. I never met a black sugar mill owner, because they were American, and no black American owned a sugar mill. They were rich whites. I never met a black landowner, not one, or owners of large stores, large industries, large businesses. Maybe there were some in the liberal professions; lawyers, scarce doctors, some with improvised facilities. The majority of those who went to Miami were the rich and white bourgeoise.

Black and mixed sectors completely supported the revolution. Why? They were poor and discriminated against for the color of their skin. That leaves a historic legacy, because of the ones who are trained, the ones who are doing this and that. A huge young mass has risen -- because the revolution is young even though it is 27 years old -- but tens of thousands, hundreds of thousand of young black and mixed race youths have enrolled in technological schools, pre-university schools, and universities everywhere and are proving more and more outstanding.

The correction of historic injustice cannot be left to spontaneity. It is not enough to establish laws on equality and expect total equality. It has to be promoted in mass organizations, in party youth. That is why I said in the report that there should be a representation of the ethnic composition, and we cannot expect women, blacks, mixed race people to be promoted spontaneously. It has to be the work of the party, because we need to straighten out what history has twisted. [prolonged applause]

Therefore we gave ourselves a booster shot of youth. This is now the source for party replacements. I already explained how it was formed. It was not that someone said in a subjective way: I am going to select them.

The party asked the provinces, the party in the provinces, to send in their lists with the names of those comrades who, regardless of their color, filled the requirements to be alternate members of the Central Committee. The party asked them to include the names of the women and the black or mestizo comrades who met the requirements in those lists. There were several cases in which the woman presented is black and young, others were older. Through this system the list of candidates for the Central Committee included 233 names. Consultations were carried out with the mass organizations. They contributed with their lists. We looked into companeros who are holding important positions, who are members of the people's government, members of the Central Committee. We studied the lists of the members of the provincial executive committees, giving speical attention to those comrades under 35 years of age -- some were older -- and in this manner the list of candidates rose to 260 comrades. In each case we studied the candidate's files, background, and everything about them, and this is how we have called the source for party replacements, of candidates. This was done through objective measures. I explained earlier, and it proves this point, that I had two candidates in mind; two young and not well known people -- those who are well known are present in everyone's mind -- but I was thinking of young, unknown people with their own merits. Two names came to my mind. When I looked at the lists that had been drawn up following this system, the names of those two comrades were there. As president of the candidate's commission I did not propose any names for this source of party replacements. We followed a system to select the candidates.

Naturally, in the final list practically all the women who were within the source for party replacements were appointed. Most of the black companeros are on the list; the young companeros who met the requirements are also on the list.

Also on the list are some comrades with many merits who were not within this category. To mention an example, the director of the Ameijeiras, the best hospital in our country, I would even dare say that it is the best hospital in Latin America, which is giving medicine a tremendous boost and in which the director represents the efforts of all the doctors, technicians, and scientists who have worked there, a man with many qualifications --we could have chosen five or ten people who work there -- but we chose one to be included in the list of candidates. We did this because they have offered the country a great service. As is the case of the comrade who went into space. He did not go into space just by chance; he went into space because he was a great combatant, a man with excellent qualifications, chosen for pilot training, an excellent pilot and unit leader with excellent human moral and revolutionary qualities. A man like him could have been chosen a member of the Central Committee before going into space, but he had made it into space. He was, therefore promoted as a symbol.

I explained clearly that it was impossible for someone to say that the most qualified are included on the list. This country has more than 500,000 militants and another 500,000 youths; there are hundreds upon thousands of qualified people; hundreds of thousands with great qualifications. The least we could do is try to have the great masses represented in the Central Committee. There are some people in this country who are so qualified that they cannot even be promoted. They must be left to do what they are doing. They do the country much more good by staying where they are. We had already established, as a fundamental principle, that a Communist does not aspire to office. He does not aspire to an office or honors. [applause] The party is the one that promotes him. The party tries to choose him to represent the great masses. They are the ones who are important; great masses who are full of history and qualifications. We based our selection on all these qualifications, merits, and background.

We must trust our youth. Today I recalled that the average age among those of us who started the armed struggle was 22 or 23 years old. Yet we felt ourselves capable of beginning a revolution. I was slightly older, I was 26 years old. When the revolution triumphed, the large majority of the combatants were only 30 years old, yet despite our lack of experience we felt that we were quite capable. If we had had the necessary experience we probably would have backed off; we would have turned into conservatists. Fortunately, we were not aware of our lack of experience. [Castro chuckles] We did not hesitate in undertaking the path of the revolution. In the long run it advanced. Therefore, we must trust our youths. Today we can enjoy the privilege of combining all the things that we did not have; experience, impetuousness, the energy received from others. We must promote our youths without fear. [applause] We must promote our youths who have served in the Army, who have worked, who have produced. This is very important. As we mentioned in our main report, every youth that we promote should have served in the Army, should have worked, or should have produced. However, we must not be apprehensive regarding the promotion of our youths. Time passes; years accumulate history, and if we were to live off history we would have remained at 51. [not further explained] We have now dropped to 47. In 5 years it may go up again to 52. Therefore, it is necessary to promote our youths.

Well then, following these suggestions we drafted the lists of candidates. Today the number of women chosen equals 18.24 percent of the members and alternate members of the Central Committee. If we count the alternate members alone we find that the percentage is higher. Well, we are nearing that 21 percent which is the proportion of women in the party. Blacks and mestizos, the admitted blacks and mestizos, [laughter] well, no one was hiding this fact in the past but no one cared to ask. This question was erased in our constitution. Within the party we have to put down a little mark because we have to see how this policy of proportion advances and how each of the sectors is represented. However, no one was asked whether he was or was not. Why should we? In the past one only asked that question for discrimination purposes.

The situation is different now, so we ask. That is why Rizo [changes thought] I think that Rizo appeared as white. He had no mark or notation, and he was telling me that he has his great-grandmother's manumission certificate or paper; she was an authentic African slave. Risquet is a mixture of black and Chinese or Asian... [changes thought] I do not know if it is Chinese, Southeast Asian, Korean. [Castro laughs] I do not know where Risquet's family came from. He also has some white blood. What? From Canton? Well, you should know. [laughter] Anyway, if we include all of them we will have more; however, we already have something. Well, if we add up all those who openly admit it, we will come up with approximately 28.44 percent. We are close to the same proportion of those who are members in the party.

This is a promotion policy, and we are fully satisfied with it. We saw it today when... [changes thought] In the first Central Committee. That same policy, of advocating an overall renewal, has been enforced at the Politburo; more than 40 percent of the Politburo has been renewed. This was extremely difficult... [changes thought] Imagine, they are comrades who we seen constantly, comrades with great historical attributes. If you want to have an idea of the firmness and rigor with which the policy has been enforced, I will give you some examples. Comrade Ricardo Castro is one of the comrades included in the Central Committee renewal; he is a labor hero, a man with extraordinary historical attributes. [applause] He is a comrade who has become a model of simplicity and humility; he is an example in every sense. See what worthy comrades have been renewed to enforce a policy! It was a matter of renewal or death. Comrades like Braulio Maza are difficult to find; he is also a labor hero. [applause]

Our comrades have fulfilled many roles, but we initially agreed to distribute the responsibilities even better. There were many who were members of the national assembly, Central Committee Council of Ministers, etc. It was necessary to redistribute them; some would be in charge of one responsibility, others in charge of another responsibility; some receive one recognition, others receive another recognition. Well, the Politburo renewal includes comrades like Ramiro Valdez, who has such important history and merits. [lengthy applause] I remember when we were going to attack the Moncada Barracks and chose the volunteers. Ramiro was among those who volunteered to raid the post, and Ramiro was the one who disarmed the soldier ... [corrects himself] one of the soldiers at the post. I will never forget that. Ramiro also went to Mexico; Ramiro came aboard the Granma; he was in the Sierra Maestra; Ramiro came with Che Guevara for the invasion. [coughs]

It also includes comrades like Guillermo Garcia, [applause] the first peasant who jointed us. [applause] It includes comrades of many attributes, noble spirit, simplicity, and humility like Comrade Sergio Del Valle, who was also an invader and came in with Camilo. [applause] [coughs] It also includes comrades like Jesus Montane. [applause] I remember he was also one of the few comrades who volunteered to raid the Moncada post, and the post was taken. He was later imprisoned; then he came in aboard the Granma; he is a comrade with much history. You may sit down. [people laugh] There are many others to mention, but... [changes thought] There are many beloved comrades; I will not mention them all, but I will mention Armando Acosta, who was also with us in the war, in the Sierra Maestra, etc. [applause] In other words, the Central Committee applied the principle of an overall renewal. The comrades will continue to enjoy all our consideration, affection, and their roles within the revolution. They all had encouraging words at the plenum; Comrade Ramiro spoke on behalf of them all. They were satisfied and abide by the decisions, which they consider just and right. This has represented a great victory, because the comrades understand that this elemental and essential principle of an overall renewal to move forward does not represent a demotion. It is a vital need of the revolution, an I have given you an idea of the way in which we have carried it out, what views have led to these elections.

Well, our Politburo also received a good dose of blacks and women. [applause] This was fully applied; I think that the congress, the Central Committee, have set the example about the policy to be carried out, of renewing everything, of stopping anything which implies an increase in number of members. This is an intelligent policy, because it means promoting the people's attributes, preparing people -- wherever we find them -- if they have the necessary attributes. It would be the most absurd thing in the world if a small group of us believed we were models of virtue and therefore have all the attributes. The people are the ones who have the attributes, because as I said to the comrades a few days ago, one knows that every 100 men include a lot of potential heroes.

This reminds me of our own war. Following the initial setbacks, only a few were left. Many of them became great leaders, including Che and Camilo [applause], and Raul [applause], and Ramiro. [applause] No one could have imagined what attributes men like Che and Camilo had. Che went as a doctor for our troops. Camilo was playful, he was always joking. Who would have guessed the kind of heroes they would turn out to be. That is what I had said: The day that Camilo dies the people will give us more Camilos; when Lazarus dies, many others will replace him during the funeral. [applause]

We have to consider the example of leaders of the old party or the first Marxist-Leninist party, like the comrade who spoke here today, without going too far, Comrade Blas Roca, who directed the People's Socialist Party for so long. [applause]

I remember very well, I will never forget, when Comrade Blas Roca was giving proof of generosity and greatness -- despite the fact that he had directed the Marxist-Leninist party for so many years, and we were carrying out a Marxist-Leninist revolution by uniting all forces and creating a new party -- he met with me and said: I had you the cause of the Marxist-Leninist party. [applause] Now Comrade Blas has given another very useful and valuable example for our people and future generations. He knows the respect we have for him, the special considerations he receives because he deserves them. He wrote a letter dated 31 January 1986, a few days before the congress began, which said: Comrade Fidel Castro and the rest of comrades of the plenum: The last touches are given to the preparations for the third party congress. Undoubtedly it will bring important improvements in the methods and tasks of the party. Its strength is based on close unity with the masses. By considering these perspectives, I am motivated to address you dear comrades to request that I be relieved of the post and commitment of the Central Committee, which I have held proudly until now. I believe that even without that title I will be able to continue to contribute in some things, like the final efforts to approve the civil code, which is so important for the complete institutionalization of the revolution with which, with Fidel's leadership and guided by the Marxist-Leninist ideology, socialism is being built. Communist greetings, always faithful to the revolution and loyal to its principles, Blas Roca. [prolonged applause]

Despite Comrade Blas Roca's letter, and following the idea that there are three men who, for their history, prestige, the glories they have given our country, and their personal merits, regardless of their age, we should hold as symbols in the Central Committee while they live. They are Comrade Blas Roca, Comrade Fabio Grobart, and Comrade Nicolas Guillen. They were elected.[applause]

I am pleased to be able to fully explain this policy to our distinguished guests, to our congress, with whom we had already spoken, and to all our people, to domestic and foreign reporters. It is a correct policy, a fair policy a revolutionary policy. It is a proof of unity, of the cohesion of our party, our people, the soundness of our principles. As I said during the plenum, the Central Committee is one family, from the most modest grassroot militant to the one with the highest responsibility of the party.

We are all absolutely the same. We follow the same rules, we are one family in the party; only one family outside the party and within the party. [applause] No matter where we are -- within the Politburo or outside the Politburo, within the Central Committee or outside the Central Committee, within the congress or outside the nucleus -- our people, our party will always be as one fist and one heart.

Fatherland or Death, we will overcome! [prolonged applause].

This is not the closing speech, this is the one preceding the speech. [laughter] But I promise I will speak a little when we are about to end. I believe I have said the most important things I had to say. I now invite the elected Politburo and alternate Politburo member comrades and all comrades who are supposed to come to the stage to come. I myself do not know, I believe the secretaries have to come too. [laughter] We also want Comrade Fabio and Comrade Blas to come to the stage and accompany us. [applause]

Central Committee, Alternates Named

FL081930 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 0050 GMT on 8 February announces the names of the newly elected members of the Communist Party of Cuba Central Committee. As the names are read, photographs and the names of each member are shown. The Central Committee members are: Jose Abrahantes Fernandez, Rogelio Acevedo Gonzalez, Armando Acosta Cordero, Jose M. Acosta Santana, Severo Aguirre del Cristo, Carlos Aldana Escalante, Nieves A. Alemany Aguilera, Roberto Damian, Alfonso Gonzalez, Rodrigo Alvarez Cambras, Abelardo Alvarez Gil, Emilio Aragones Navarro, Argelia Balboa Monzon, German Barreiro Carames, Faustino Beato Morejon, Joaquin L. Benavides Rodriguez, Jesus Bermudez Cutino, Joaquin Bernal Camero, Urbelino S. Betancourt Cruces, Flavio Bravo Pardo, Francisco R. Caballero Casanova, Miguel Jose Cano Blanco, Dora Carcano Araujo, Tomas B. Cardenas Garcia, Jose Felipe Carneado Rodriguez, Julio Casas Regueiro, Leopoldo Cintras Frias, Xionara Contreras Piedra, Sergio Corrieri Hernandez, Homero de la Paz Crabb Valdes, Francisco J. Cruz Bourzac, Pedro M. Chavez Gonzalez, Faure Chomon Mediavilla, Asela de los Santos Tamayo, Sergio del Valle Jimenez, Joel Domenech Benitez, Luis Orlando Dominguez Muniz, Fabian Escalante Font, Juan Escalona Reguera, Ramon Espinosa Martin, Antonio Esquivel Yedra, Eduardo Fernandez Boada, Pedro Fernandez Diaz, Carlos Fernandez Gondin, Oscar Fernandez Mell, Rosario Fernandez Perera, Elcira Fernandez Torres, Gustavo Fleitas Ramirez, Rigoberto Garcia Fernandez, Guillermo Garcia Frias, Santos Godoy Hernandez, Ismael Gonzalez Gonzalez, Jose Gonzalez Torres, Fabio Brogart, Nicolas Guillen Batista, Melba Hernandez Rodriguez del Rey, Alfredo Hondal Gonzalez, Omar H. Iser Mojena, Alfredo Jordan Moral, Carlos Lage Davila, Juana Teresa Leyva Torres, Jorge Lezcano Perez, Francisco Linares Calvo, Jose Linares Valdes, Nestor Lopez Cuba, Manuel Lopez Lopez, Jose A. Lopez Moreno, Rogelio Lopez Sotolongo, Jose Loyola Fernandez, Orlando Lugo Fonte, Isidoro Malmierca Peoli, Armando Manresa Gonzalez, Tanya Manzanares Ayala, Pascual Martinez Gil, Angel Mena Indelan, Jorge Enrique Mendoza Reboredo, Raul Mendez Tomassevich, Humberto Miguel Fernandez, Jose Miyar Barruecos, Jesus Montane Oropesa, Alfredo Morales Cartaya, Angel Rosendo Moreno Boffil, Jose Alberto Naranjo Morales, Arnaldo Ochoa Sanchez, Rene Penalver Valdes, Humberto Perez Gonzalez, Faustino Perez Hernandez, Antonio Perez Herrero, Manuel Pineiro Losada, Marcos J. Portal Leon, Rodolfo Puente Ferro, Joaquin Quinta Sola, Fidel Ramos Perera, Maria C. Reyes Fernandez, Roberto Robaina Gonzalez, Gladys M. Robinson Agramonte, Blas Roca Calderio, Pedro Manuel Roche Alvarez, Sonia Rodriguez Cardona, Rene Rodriguez Cruz, Luis Rodriguez Hernandez, Hector Rodriguez Llompart, Antonio Rodriguez Maurell, Pedro Ross Lea, Victor E. Schueg Colas, Arnaldo Socarras Miranda, Julio Tejas Perez, Diocles Torralba Gonzalez, Casimira Torres Jauma, Julio Trujillo Aguero, Ramiro Valdes Menendez, Jorge Valdes Rodriguez, Rafael Valdes Valdes, Raul Valdes Vivo, Adolfo Juan Valdivia Dominguez, Elida Valle Fernandez, and Fernando Vecino Alegret.

The alternate members are: Ricardo Alarcon de Quesada, Julian Alvarez Blanco, Ramon Andollo Valdes, Felix Baranda Columbie, Martha Bosch Diaz, Raul Castellanos Lage, Pastor Castell-Florit Serrate, Barbara Castillo Cuesta, Marcia Cobas Ruiz, Magda Cortina Licea, Dora Cosme Diaz, Eugenio Cuevas Ibanez, Adolfo Diaz Suarez, Omar Dinsa Despaigne, Ana Exposito Rodriguez, Augusto Fajardo Pi, Eladio Fernandez Civico, Manuel Fernandez Crespo, Orlando Freyre Rivero, Nidia Frometa Matos, Maria de los Angeles Garcia Alvarez, Oscar de Jesus Garcia Cabrera, Francisco Garcia Ferrer, Elda Garcia Garcia, Jose Ramon Garcia Gil, Mirtha E. Garcia Llorca, Yadira E. Garcia Vera, Jose Antonio Gell Noa, Raul Francisco Gomez Cabrera, Olga Gomez Cortes, Evidio Gomez Gonzalez, Velia Gonzalez Abreu, Luis Gonzalez Acosta, Hiram Gonzalez Perez, Addegunde Gonzalez Rivas, Carmen Gutierrez Cepero, Arnaldo Jerez Santiesteban, Reynaldo Larduet Despaigne, Victoriano Lemus Rivero, Mario R. Leon Miguez, Carlos M. Lezcano Perez, Manuel de Jesus Limonta Vidal, Silvano Linares Viltres, Julian Lopez Diaz, Alvaro Lopez Miera, Mercedes Llano Montane, Jorge Matos Bello, Coralia Mazar Antunez, Gustavo Milian Rivero, Rafael Moracen Limonta, Ermelinda Morales Lopez, Margarita de la Sena Navarrete Navarro, Tomas Oviedo Hormaza, Fidel Parra Santoya Natividad Pedroso Kirkwood, Pedro Miguel Perez Betancourt, Manuel Perez Hernandez, Sergio Perez Lezcano, Emilio Pimienta Veloz, Vicente Pineda Vasallo, Juan Robinson Agramonte, Francisco Roca Iglesias, Samuel Rodiles Planas, Mirta Rosa Rodriguez Alonso, Julio Rodriguez Curbelo, Miguel Rodriguez Diaz, Adolfo Rodriguez Nodals, Alejandro Ronda Marrero, Jose Ruiz Campos, Eduardo Sanchez Alberro, Manuel Sarmiento Sotelo, Jaime Smith Pridde, Milagros Karina Soto Aguero, Romarico Sotomayor Garcia, Maria Suarez Campos, Arnando Tamayo Mendez, Osvaldo Umpierrez Suarez, Jose A. Verdecia Ramirez, and Manuel Vila Cruz.

Raul Castro Address

FL081743 Havana Domestic Service in Spanish 0041 GMT 8 Feb 86

[Speech by General Raul Castro Ruz, second secretary of the PCC, at the closing ceremony of the Third PCC Congress at the Palace of Conventions in Havana -- live]

[Text] Comrade delegates and guests, we will go to a 30-minute recess, and then we will hear some brief conclusions. Comrade Fidel has already explained that his words represented a pre-closure. However, following the recess and once the next activity has concluded, we will see you at the reception in which all the delegates and guests will participate.

Prior to the recess, it is mandatory for us to state -- on behalf of you all -- our gratitude, first of all, to our working class, which is represented by a small group of heroes in the Republic of Cuba, which produces all our material and spiritual riches; to our dear peasants, basic support of the rebel army during the struggle against the Batista tyranny; to our heroic women, who have accompanied us for over a century of difficult toiling, sharing all their men's sacrifices -- sometimes working more than all of us, following their normal 8-hour day, in all the household chores. They are the fundamental educators of all our children.

We also wish to thank our beautiful youths, our young pines; we are proud to see that they have aptly confirmed our hopes that they will surpass us, as proved in the recently elected Central Committee. [applause] Lastly, I want to thank the revolution's most beautiful gift, our Pioneers, who gladden our hearts and whom we always seek out when problems, obstacles, and difficulties embitter our lives momentarily. Our happiness returns whenever we establish contact with any group of our small Pioneers. To all of them, thank you. [applause]

In addition, I will preside over this meeting for a short time, and I do not want to be outdone by Carlos Rafael, Risquet, and Osmani, who said some flowery phrases before and after presenting the speakers. [laughter] I am in charge of introducing Comrade Fidel, but when the session -- the last one of this magnificent congress -- restarts, he will get up and stand there without asking my permission, because he is quite well known and does not need my introduction.

I think I share your most intimate sentiments when thanking our people for giving us a Marti during the most difficult times of the 19th century, when all the sister Latin American republics had already cast aside the colonial yoke, availing themselves of the historic opportunity created by Napoleon's invasion in Spain early in the last century; when along with Puerto Rico -- which is still groaning under the colonial yoke -- we were the last subjugated republic. We also have to thank our people, because this time we were not the last ones to achieve the first independence; we were the first in achieving the second and definite independence. We also thank our people, because they gave us a Fidel in the 20th century! Thank you, Fidel! [applause; shouts; chanting]

Fidel Castro's Closing Speech

PA080541 Havana International Service in Spanish 1300 GMT 8 Feb 86

[Speech by President Commander Fidel Castro, president of the Council of State and Ministers of Cuba, at the close of the Third PCC Congress at the Palace of Conventions in Havana -- recorded]

[Text] Distinguished guests, dear delegates: Now, as an award for our perseverance, efforts, and patience, we reach the end of the congress. I promised to be brief, and I intend to be so, as much as possible. We must remember there will be a reception, and some of the guests want to go out tonight. Despite my reference to patience, I think, nevertheless, that our congress has been short. I sincerely think we could have used one more day. We thought about this while considering the time we had available, and of the need and pleasure to listen to our foreign guests. We kept a list of all those who talked, and there seemed to be a contradiction with the nature of the congress, which at times seemed like an international meeting, since the nature of a national congress deals only with the problems of the party and the country. I asked if there was a contradiction, but finally I concluded that there was no contradiction; and there was time to cover both aspects. As to the experience received in this congress, we could have used one more day to further discuss the topics broached at the congress.

True, we have said before that the days in which the congress takes place is but the culmination of a long process that begins in the ranks. The congress in fact gets under way months before, where all the problems are amply discussed, and which at the end is actually a summary. Perhaps our guests are unable to get a clear view of our problems and difficulties, what we are analyzing, and how we are going to resolve our many problems. They will take with them the impression of what the report contains, but the report, despite being long -- marathonic, as some foreign correspondents call it -- actually took 6, no, 5 hours and over 40 minutes to read. If they had listened to the first congress report, in which we had to make a length recount, they would no doubt have really called it marathonic.

However, the report is a systhesis where the issues are analyzed generally, despite being long. There are many things to analyze, and, of course, often we must advance somewhat superficially. We needed more debate, more participation.

Starting from the motions submitted by the comrades and the intervention made by the comrades, we must discuss here in the congress, like we do at the national assembly and everywhere else, all the fundamental topics brought up. I think that if we had had one more day, we could have discussed our problems for 7 or 8 hours without sacrificing a single speaker. I realize how valuable it is to us the intervention of the guest delegations, and we cannot do without them. [applause]

That is why I think that the next congress, if the comrades of Santiago earn that honor with their work in the coming years, added to their great historic feats, the congress of Santiago de Cuba could last 5 days. Thus, we could participate more in the debate of our fundamental problems with absolute freedom and frankness, and show our guests that, no matter how serious or thorny the problems may be, we are capable of discussing them, and that our delegates know more than just reading a paper; that they know how to discuss and broach any topic without any fear to do so. [applause]

This congress, in which we have discussed at length all our vital issues, has been most fruitful. We have approved the project, we could say -- as we have not yet turned it into a program, but as a program project, which was not concluded.

The international news agencies, which live off the news, have lent an important service, I cannot deny it. Sometimes they report party of what is happening in the world somewhat tendentiously, but even so, we do get information from the capitalist agencies, which we do not yet recieve from our agencies, because, unfortunately, the socialist news agencies are not yet sufficiently developed. Much news is distributed throughout the world as they have the monopoly of many technical means to distribute the news.

They even reported that the fact that the congress was postponed to February was a sign of big debates and problems among us. They do not realize we had a year loaded with work. We had to dedicate much time, particularly to the issue of the foreign debt and the economic crisis affecting Latin American and the world. We had to spend much time with our cadres to discuss the problems of the economy and the problems of defense.

That is why at the end, we had no time to hold it at the scheduled date, as we could not prepare all the documents, mainly those related to the program. Besides, the 5-year plan was not ready, containing the economic policies. They talked a lot, and speculated about supposed problems, difficulties, discussions, and so forth. Again they come back, like that day when they killed me off, at the same time that they invited me to the funeral, [laughter] not many days ago, to confuse the wishes with the facts. We worked, and we wanted to work better; therefore, we had no choice but to postpone the congress several days. This was cause for much speculation. Our congress, however, has been most productive.

This program draft has undoubtedly been one of the most important and most valuable documents. It is very important. We will see how the discussion of its goes with all the people, with all the members, with all the workers, with all the youths, and with all the women, with the people in general, so that we can improve on it, make it more perfect. Then we will meet again. I am glad that it has been postponed, because we will be seeing our faces again by the end of the year to discuss this draft and to making it a party program for the next 15 to 20 years. I want our enemies to know that as a general rule, we not only carry out our revolutionary political programs, but we can go beyond them.[applause]

The guidelines for more limited matters which are very important were discussed. These guidelines are the measures we are going to take precisely to improve, to bring to perfection our effort.

The commissions held their discussions and gave their approvals. The congress approved solutions about the economy's aim, the party's statutes, the administrative political division and, at the end, a more specific resolution about foreign policy. They are all very important documents. I think the most important thing about all this is the moment in which we are living.

Our friends of the capitalist news media, -- I am not going to say that they are completely subjective -- once in a while they make some objective reports, but the general rule was to emphasize the report's critical aspects. They took care to stress their criticisms, which were extensive, precise, categorical, and strong. Ah, but they said very little about the great achievements of the revolution during this period. They said very little about the defense. They spoke very little about the heroic deeds we have carried our in defense in order to become a hard bone for imperialism to swallow. [applause]

They said nothing about the efforts, the human energy, and the material resources invested in defense in these 5 years. Why have we had to do this? We know how many hundreds of millions have been invested in defense, which could have been spent on schools, hospitals, homes, roads, and many other things. But we had to do it. It hurt to do it, but we did it with pleasure. It hurt us to do it, but we were highly convinced that we had to. We realize perfectly that this is a socialist country, which does not live on the arms race; it lives on development. It knows that all that money spent on arms, on fortresses and trenches, can be used for other things, much more useful. But the trenches are more useful now, because they will help us survive. However, if we did not have the need to survive, if survival were guaranteed, how much more we could invest in houses, hospitals, recreational centres, playgrounds, and other things, in addition to more industries, more athletic installations. They do not say even one word about this, there is nothing but silence about the achievements of the revolution.

Only one news agency reported that for the year 1990, there will be one doctor for every 284 people, which is outstanding even for the world's most developed countries. You know that one doctor for every 284 people is outstanding. [applause] In two more 5-year periods, after 1990, we will have one doctor for less than 200 people. It would seem that we have more than we need -- no we do not. When we have 65,000 doctors in the year 2000, which is a conservative estimate, we will have to graduate 10,000 more, as a reserve, so that our doctors can have 1 year of vaction every 7 years, to improve their knowledge. No other developed country has this. There is a very famous university, where professors, a group of professors, receive the so-called sabbatical year. Here doctors, nurses, health technicians, professors, and teachers will receive this benefit as work productivity increases, which we are going to increase and are increasing, so that practically all university technicians can benefit from the principle of the sabbatical year with salary, because, Mr Capitalists, these are the advantages of socialism. [applause]

Mr Capitalists, we know more about politics than you do, because we base our conclusions on the interpretation of scientific laws. Mr Capitalists, we are more creative than you are, because productivity kills you. It creates unemployment and disaster. You want to live off of war, off the arms race. You want to live like vultures, like vampires. You want to live off the blood of others, off the blood spilled on the battlefields, of the profit obtained from the arms factory to kill. Mr Capitalists, we are much more rational and wiser than you are, and also braver. We are more confident and capable, because we are able to criticize and be self-critical. [applause]

I would like to ask Mr Reagan, almighty powerful Reagan, to criticize himself about the number of outrages, squandering, and crimes he has committed in these years. We hear nothing but the apology, the super apology, of developed capitalist society, of the society of vampires, living off the blood of the worker, of the blacks, of the Indian, of the African, the Asian, the Latins, the Vietnamese, and of their own sons, on which capitalism was built. Capitalism is manufacturing the arms that can exterminate mankind, that can cause universal suicide.

The talent of the immense majority of scientists is being used for that, not to fight diseases, cancer, and heart diseases, not to save lives, not to prolong life, but to spread death and destroy life.

The almighties in their sclerotic [words indistinct] and decadent [word indistinct] cannot stand analysis or self-criticism, because they deify and worship the consumer society.

They are unable to tell the truth. They live on lies, confusion, and misinformation. They even distort the minds of the youth. What a difference there is between their youths and ours, these youths, these pioneers, these young people who are ready, from the time they are 14 years old, to go on missions in defense of the fatherland, if necessary.

This morning, I read an international dispatch reporting on a survey which said that adolescents in the United States -- the university students make up the most conservative sector, the people who are the greatest lovers of money -- the report said that the youths who were surveyed said that they should make more and more money. This is imbued in them by the propaganda. This is the alienation of which Karl Marx spoke: the love of money that is the basis of life in that society of vultures, that society of lies.

They are deforming the minds of the youth . This has to worry us, because we are the neighbors of a powerful country with advanced technology, which poisons its youth , its adolescents, and is giving them a mentality that is increasingly inclined toward money, business, egotism, and, in short, toward imperialism. This has to worry us.

However, the people in that society do not criticize themsleves, do not practice self-criticism. What they evoke in us is a pitying, scornful laugh. They have not realized, and it is better that they do not realize, that the revolution is at its peak, that the revolution has never been stronger, [applause] that it has never been as strong and as solid in every way. Militarily, it has never been stronger. Never. Never.

We are three times stronger than this Mr Reagan. He became president and began to threaten that he would wipe us off the face of the earth. This gentleman made insinuations, even saying that socialism is an aberration that had to disappear from the face of the earth. What those words made me think of mostly was Adolf Hitler's "Mein Kampf." He was crazy enough to say and to repeat that socialism should disappear from the face of the earth, and this was more or less what Reagan said 5 years ago, which led us to give a strong answer, to the effect that we were not about to endure such a policy, and that he would not get anywhere with that policy.

They are beginning to understand a little better, right, the fact that he did not frighten anyone. No one here was frightened. The number of the brave here has multiplied. The number of fighters has multiplied. The number of weapons has multiplied. That was the result of the threats. They were not successful here, or anywhere else. They do not realize that we are stronger. If they weren't so stupid, they would realize this.

We are stronger and in a much more solid position economically. Our average annual growth rate is 7.3. Very few dispatches reported this. Let them compare this with what happened in the capitalist world, and what happened in Latin America. An average growth rate of 7.3. They said almost nothing about this. This was our success in the economic area.

They do not realize that we are at our peak in every way. Our party is stronger and more hardened, with more influence than ever. We are better prepared than ever to combat precisely all those things that we mentioned in the political part of my report.

In a sense, some of these problems are historical. I have said that we have not yet been able to guarantee the same level of activity in all the provinces. This refers to economic activity. We have guaranteed the levels of medical, educational, and defense activities, but the same levels of economic activity cannot be achieved in a 5-year period. We have called attention to this. We have been making an effort in this regard for some time.

Otherwise, why is there an $80 million factory in Santiago de Cuba, and why is there a bottle factory in Tunas, why is the (KTP3) factory in Holguin, why is there an agricultural tools factory, why are there giant investments in northern Orient, and all the factories we have constructed in Guantanamo? It is still not sufficient because our population in the eastern provinces, which were the most backward and underdeveloped, increased at twice the rate of the population in Havana and the western provinces. We called attention to this because we had not given sufficient attention to this problem. We called attention to this by giving attention to it. It is our duty.

So as not to extend ourselves, we did not mention in the report that Granma, all of Granma's peasant communities and mountains, have their family doctor. By the end of this year, all the mountains in Guantanamo will have their family doctor. Next year, all the mountains in the country's eastern region will have their family doctor long before the country's cities and long before the capital of the Republic. [applause]

What the capital of the Republic will have in 1994, perhaps a bit sooner, all the mountains of Oriente will have in 1987. I have not talked about that. No other country has that or anything like it.

So we know where the problems are, we have identified them well. We would prefer to exaggerate them, rather than hide them. We would prefer to exaggerate them, as that is better than reducing them in magnitude because our state and party are in a better position than ever to conduct a critical analysis which has dozens of points. We must fight now like warriors in an orderly line and attack each and every one of those points.

One of the objectives of our party, our state, and our mass organizations was to point it out here, to point out the goal, because when you have a group of riflemen, someone always says: That is the target, so the company, battalion, division, or army can fire. The people's army said: There, those are the targets. Fire with all you have and fight all that, and in 1990 the party must come here again to review what it has done concerning each of those points and what new problems have emerged.

Watch it, there has been criticism of the bad quality of many products. Naturally, we did not say that our cheeses here are as good as the best in the world or anywhere else, [laughter] that our (Copelia) ice creams marvel visitors, that our 12 percent alcohol beers, including (Tilma), which is a marvel, has put me in a difficult spot, even though I am not a beer drinker. [laughter] On the occasion of the congress, they have given me a small box with beer, and now I do not know if some day at noon one will want to drink 100 drams of the 12 percent alcohol (Tilma).

I was telling you that I have seen many high-quality things in the food industry. We should continue to make them but we know that we manufacture bad-quality things. We will be implacable, and we already know how to do that. [laughter] We know about all that is going wrong. That is what they do not understand. They want to make propaganda with that. We will see each other in 1990.

What will the rates be, for everything, even the infant mortality rate, because we are going to surpass the United States?

I will not mention a date but we are going to have a better life expectancy than they have. But easy? Ah, it is no longer that difficult. With what we are doing with our family doctors we are going to pass them up. We are going to leave them behind. They are already annoyed about it, you understand? But perhaps they have weapons [applause] they have weapons in outer space. They have their "star wars" but they have a higher infant mortality and a shorter life expectancy even though they made us spend a lot of money with their lunacies. We now have better rates, and we know how to achieve them. The family doctor is a means [words indistict] obesity, smoking, etc., etc.

I don't want to do much of a health campaign here but the time when we will have to discuss that and with more reason among militants of the party whom we don't want to be victims of premature death. [laughter] Some say that I have, I don't know how many tumors. The truth is that the machines haven't discovered them yet but, well, that doesn't frighten me. Everything is because I have stopped smoking. He must have three tumors in the lungs, [they are saying.] I will have to have an x-ray taken just in case these people are correct. [laughter] I don't feel any symptoms. But it is true that I stopped smoking. I can't go around advertising it. Last week a reporter asked me: How strange that I don't see you with your tobacco! In order words, I haven't smoked since such and such a day. I haven't smoked since 26 August. I tried, it worked, and I haven't even missed it.

Now then, why did I do it. I didn't really do it for health. I wasn't sufficiently responsible to do it for health reasons. I did it simply because I understand that we have to undertake a campaign against smoking. I understand it. We are telling the doctors not to smoke. [applause] And I have said it before, I still have to make a sacrifice for public health, but I will do so. I really did it for the public health.

We want the young doctors not to smoke, that there be no smoking in the hospitals. We have to carry out the campaign even if it harms us economically. I gave big publicity to Cuban tobacco. I continue to say that it is great and that what essentially causes cancer is all those cigarettes full of detritus [chinches] and things that the Yankees produce. The other, too, I am not going to say that it does not; I am not going to say that it does not because I would be mistaken. But I can say that our tobacco is great. We will not prohibit it if you want to smoke it, but, well, if it harms us, the world will not end. A campaign against smoking means we lose foreign exchange. It doesn't matter if it means we lose foreign exchange. No, sir. But, meanwhile you can smoke cigars instead of cigarettes. They have less prospects of causing cancer and thus giving more prospects of life. Better advice would be to not smoke anything. We are not going to prefer business at the cost of health. The day that the entire world decides not to smoke we will be happy. As long as it smokes we have to produce it. It is historical, we have been producing it for hundreds of years. It is of good quality.

Well then, as I was saying, we had reached that conviction. Because of that, they turn everything into a big scandal, a big problem. They have made a lot of propaganda about Cuba. The revolution is in its best moments, with its maximum and full capacity.

I have done very well in detecting all the problems, and we must continue discussing them every day. We know we must come here. During the 4th congress, we must analyze all the criticism we have done in all fields. We must analyze what the party has done, what the mass organizations have done, what the state has done. We have detected our problems, and we have analyzed them in order to fight them.

I think we have outlined a good program, and it will probably work out well. Naturally, we are living in a world in which a catastrophe could occur at any moment.

With all the sugar we have, we don't know what new problems may arise tomorrow or the day after.

We are making great savings in fuel. The fuel we save we export again. We are increasing our petroleum production. We are planning to reach 2 million [unit not specified] by the year 1990. We have estimated that. Petroleum is being affected right now. Prices are being severely affected, and naturally this affects us also.

Yes, this factor is unpredictable, but our plans have a level of guarantee that is extraordinary. When we are talking about textile and textile production -- you have heard the conversation -- there are the new large factories that we have completed. There we have a mass of young workers, and we must learn to guide them in an efficient manner so the factories will operate well.

The plans we have discussed here will work out well. We might have to make stronger efforts. Undoubtedly, this drastic and sudden drop in the price of petroleum is seriously affecting our revenue, and we must be aware of this. However, we depend very little on trade with the West. Our trade is mostly based on agreements with the socialist countries.

Thus, we might as well tell our imperialist friends that they should not make great plans. We are now better off than ever before. The revolution is better off than ever before, in much better condition for advancing now more than ever before. I am very optimistic about our country's future, on what we are going to do in the next 5 years. Things are going to be better, more rational, and more comprehensive. All the conditions have been created for that.

We are going to advance to the year 2000 in excellent condition. We are going to defend what ware are creating. We are going to become even stronger in the military aspect; we are going to become stronger every day. We will not lower our guard for a minute, and much less now. I think the imperialists are going to have a hard time. Frankly speaking, I do not see imperialism doing well. [laughter]

To this effect, we can say that this was an excellent congress. It was brief, we must extend it a little longer. We must extend it by 25 percent more, 1 more day. It should last 5 days, rather than 4 days. In that manner, we will have the privilege of having other delegations with us in addition to the distinguished delegations that visited us, [applause] so all of our friends will be with us.

It is necessary to voice our deepest gratitude to our guests. I remember each and every one of them as if I were watching a movie, a brilliant and beautiful page of internationalism. We have had the honor and pleasure of listening to the messages of over 30 delegations. Not all delegates were able to speak because we have a problem with the time factor.

We heard Comrade Ligachev, head of the USSR delegation. His (?message) was cordial, stimulating, a message of support and solidarity. He was the first one to speak, as this corresponds to the relations, truly, to the participation, the tremendous solidarity that the USSR has given us in these 27 years. [applause]

Although we consider that all countries have the same rights and prerogatives, at any rate we cannot disregard the Soviet people's role in history and the role socialism plays in building the first socialist state in the history of mankind. [applause]

One by one, the delegations from the fraternal socialist countries took the stand here. We heard from all the socialist countries members of CEMA, all the friends from the GDR, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Mongolia; I hope I have not forgoten anyone from this list, ok? [laughter] [Words indistinct] the CEMA countries. There is always a danger there. Wait a minute, I have not started speaking yet of Asia. Thak you very much. I mentioned Mongolia, because it is a midway, somewhere near the CEMA countries. I am following an order, a very strict order. [laughter] We have many friends, and our friendship goes back many years in history.

Moved, we listened here to the words of our Latin American neighbors and brothers. We listened to the words of Comrade Daniel Ortega [applause] who, despite his tasks in his country -- his attacked country -- in economic, political, diplomatic, and military fields, did not hesitate to come to our country and stay 5 days among us and bring [applause] a message of our dear and admired brothers, the Sandinists, and all the Nicaraguan people, with whom we keep so close ties at all levels.

We had the privilege of listening to the words of heroic Salvadoran combatants. [applause] Comrade Shafik spoke with passion, vehemence, andgreat conviction and certainty and described the story of this heroic people who, after years of resisting the torrent of the Yankee war technology and that of their most specialized advisers, expressed to us their confidence, their struggles, their victory.

Comrade Commander Leon Sanchez also spoke here on behalf of the heroic Guatemalan combatants. He explained his view, stance, determination, and willingness to find a negotiated political solution and struggle without respite or letup if it is necessary, [applause] because those who struggle for a just cause do not easily lay down their weapons, and those who struggle for principles only for this reason fly the banner of peace and of political convictions.

Here, we have had the opportunity of listening to the beautiful and encouraging words of our Chilean brothers, whom we love so much and with whom we are so much identified, through the always clear, eloquent, persuasive, and emotional voice of Comrade Volodia Teitelboim, [applause] who said this year -- 1986 -- will be a decisive year in the struggle against Pinochet. It reminded me of our struggle in 1956, when we said we would be free in 1956, we committed ourselves too much. We had to fulfill our promises. At that time, people did not have too much faith. Too many promises had been made to the people. We said we would do it in December, but we did it in January. We eliminated Batista. We had taken those words so seriously that we were determined to hijack a plane, if necessary, and land here, if only with 15 or 20 men with rifles. As it turned out, there were fewer of us, but we had given top priority to that promise. I was remembering, now, that it is a coincidence, 30 years later, 1986. But it will be this year. I trust that this year you are going to give Pinochet a hard time, [laughter] but do not grow impatient. If you cannot make it in 1986, it will then be in 1987, or 1988. Do not worry. He will fall, and of that I am sure. [applause] There is no doubt about that. [applause]

We also listened to the always loyal and solidaristic words of our Uruguayan brethen, through the words of our dear Comrade Arismendi, who made us remember [applause] that during the most difficult times, we always had the solidarity of the Uruguayan people, who fought in the streets, who shed their blood, in solidarity with Cuba. [applause] Students and workers died. [applause] This is extraordinary. He thanks us, when we should be the ones to thank the communist brethren, the revolutionary brethren of Latin America for their permanent solidarity with out revolution. [applause]

Through this rostrum, we have heard our African brethren, and I will mention them in order: Angola, our beloved Angolan brothers, our beloved [words indistinct] which is what we call them in Portuguese. They are outstanding fighters, brilliant military chiefs, whose presence here is an expression of the friendship between our two countries. Companero Jose Eduardo dos Santos [applause] is the representative to this congress. He studied in Cuba -- that is why he speaks Spanish and addressed us in Spanish. He was also a member of our national soccer team; he is an outstanding soccer player. [applause] He spoke with affection for our country.

Here, we listened to a man who has many merits and represents a heroic movement that is struggling for the independence of his fatherland. He spoke to us as we are all brothers. Toivo Ja Toivo reminded us of the 18 years he spent in the racist jails. He spent 18 years in jail. [applause]

It is said that when Napoleon was having delusions of grandeur, Illusions of glory, and when he returned from battle -- it is said that he said this, but nobody can confirm this -- he said: Soldiers, from the heights of these pyramids, 40 centuries look upon you. Toivo thought this phrase was brilliant, but I though Toivo was more brilliant. He could have said: Comrades, of the congress, from the heights of this rostrum, 18 years of heroic prison are looking upon you. [applause]

As you know, Marti was in prison. Many patriots were in jail. But 18 years in the racist jails did not make this heroic fighter for the independence of his country yield.

The fighters from South Africa spoke in this rostrum, and we admired them. We admire these fighters every day. They are demolishing the foundations of the racist and fascist regime of apartheid. [applause]

They were nice enough to send us a representative, who also said that it was an honor to be at this tribune. No, comrade representative of the ANC [African National Congress], the honor is ours. It is an honor for us that you have spoken in this tribune [applause] because it was the greeting, the tribute of millions of men and women who, without weapons, fight every day to eliminate one of the most repulsive and inauspicious regimes in the history of the world. Only a Reagan could be the ally of that regime. Only a man of fascist mentality like Reagan could be the ally of that shameful system known as apartheid.

A representative of a very heroic people, who said very beautiful and moving things, is here. He is the representative of the fraternal peoples of Zimbabwe [words indistinct], whose tremendously brave history of struggle for independence against the racists [applause] was always deserving of our admiration. His expressions of solidarity fell on fertile soil, as did his appeal for closer relations between our parties and peoples.

The representative of the heroic Ethiopian people and brave combatants [applause] also spoke here. He brought us the message of our close comrade, President Mengistu, [applause] and all the honor and merit connected with the presence of a people who only a few years ago did away with one of the most obsolete systems in the world, a feudal monarchy, in order to wage a profound revolution.

Our Saharawi brothers spoke here. They are a heroic people who, there, where often times there is not even a little grass or a tree, have maintained a successful struggle against hundreds of thousands of Moroccan soldiers, [applause] supported and armed by imperialism, which has offered them its most sophisticated weapons.

The representative of a people toward which we feel very deep sympathy spoke here, the representative of the sister people of Algeria. [applause] He brought us the greeting of his people who, only a few years after the victory of the revolution, achieved their freedom by fighting against what may well be the most powerful army in Western Europe, showing us once more that there are no weapons, no technology, that can check a people's liberation struggle. This is what (?Algeria's) history teaches us.

We were addressed by the representative of the heroic Palestinian people, [applause] who brought us the greeting of those brave combatants divested of their land, divested of their independence, divested of their homeland, who have struggled, are struggling, and will struggle until the Palestinian people's legitimate rights are restored.

We were addressed by the representative of the fraternal Syrian people, a brave and heroic people, [applause] who are fighting in the first trench against the strategic allies of Yankee imperialism. We were also addressed by the representatives of the liberated peoples of Southeast Asia. We were addressed by the representative of that beloved and always admired, extraordinary Vietnamese people. [applause]

Their expert combatants of war involving the entire people have also been our teachers in preparing the war involving all our people, should we have to face an imperialist invasion; [applause] thus, I express once again my gratitude for what they did in the past and what they are doing for us today.

Other speakers were the representatives of the people of Cambodia, who are being reborn after years of genocide [applause] and who are reconstructing their homeland.

The reprsentative of Laos [applause] also spoke very affectionately.

We were addressed in a similar way by the representative of a very friendly people, who have expressed their great solidarity, the people of the DPRK. [applause] (?Strong) ties unite us with them, always firm, always loyal to (?this), the solidarity for our country. We are the same toward them. We have waged battles together. Today it is a battle for the unity of their homeland, the great banner of the unity of the Korean people, to which one must add a struggle of principles: the struggle for sharing the Olympic Games that are to be held in Seoul, so they can be the Olympic Games of Korea, north and south. We have already said it very clearly, there is no need to beat around the bush: We will not go. If the Olympic Games are not shared, we will not go to the Olympics. [applause] We are glad that the congress has shared and fully endorsed those views.

I have not forgotten that the representative of the Haitian people [applause] also passed through this tribune recently.

He spoke on behalf of all the Caribbean people. He spoke on behalf of his country, which is showing great courage, confronting the pro-Yankee dynasty without any weapons. The Duvalier dynasty is the child and stepchild of imperialism. The day we presented the report, we said that imperialism had three children left, three symbols of a sinister system of domination that is destined to disappear. Those three were Duvalier, Pinochet, and Stroessner. Now there are only two left, only two. [applause] The Yankees are running around now, wondering what to do to control the people. They created a military junta. The people are chasing the Tontons Macoutes. The Yankees are trying everything to appease the people. Let us see if they manage to do it or not. We all know very well how these processes begin. Nobody knows how they end.

You will then see the Yankees putting out fires everywhere, putting out fires in South Africa, in the Sahara, in Central America, in Guatemala, Honduras, Nicaragua, El Salvador, Guatemala, Chile; they are trying to put out fires everywhere. They have to do this, because there are fires everywhere. [applause]

Well then, as an homage, we might say to the struggle of the peoples, and as a greetings, we would like to take it as a greeting of the Haitian people -- because Reagan already greeted us with his SR-71 -- the Haitians have greeted the revolutionary movement with the total volatilization of the Duvalier dynasty. [applause]

There are two left, and we will see how long they can resist the process of democratic opening, of the Latin American and Caribbean people.

Oh my goodness, you have done me a big favor. In my long list, I had left out an extraordinary friend. But the trouble was I was looking at Arismendi, who was closer. Since I am not wearing my glasses, I did not see well. I can see well without my glasses, but I was leaving out our very dear friend, Athos Fava, [applause] who spoke on behalf of the Communist Party of Argentina, and we were leaving out our very dear friend, Nino [President of Guinea-Bissau Joao Bernardo Vieira]. [applause]

He is our very dear friend [applause] who delivered such a beautiful speech at this rostrum. He brought us greetings from a people who liberated themselves in a heroic battle against Portuguese colonialism.

We were leaving out another country that I mentioned in the report with very warm and solidaristic words: the representative of the brotherly people of Afghanistan. [applause] I had not mentioned either, goodness me, someone who also spoke with very friendly words, who honored us with his words, and that is the representative of the brother people of Yugoslavia. [applause]

In conclusion, there is someone here whose presence was a symbol at this rostrum. He is a symbol, because of where he comes from, and because he spoke on behalf of whom he spoke. He is Henry Winston [national chairman of the U.S. Communist Party] who brought us the message [applause] of the Communists and of the best from the U.S. people, and of their traditions of struggle for freedom. [applause] He impressed us all with his words. He is a man who has overcome his physical limitations, his lack of eyesight, yet he is farsighted, he has a revolutionary and political farsightedness. [applause] Without allowing himself to be overcome by a physical impediment, he brought us one of the most beautiful messages. He came from there, from that mixed up and brutal north that scorns us, but where there are millions of men like Henry Winston, who are capable of bringing a solidaristic message of friendship to our people and who do not scorn us but, on the contrary, admire us. [applause]

Undoubtedly, this was beautiful, this parade of speakers from the most advanced countries, from the most revolutionary countries, from the countries that are struggling, representing all those peoples that we admire so much, that we applaud so much, that stimulate us so much. It was truly a great honor for us to feel that we were sharing the company of the representatives from such parties and peoples. Not all of them spoke.

There were 196 revolutionary parties and organizations represented here, if I am not mistaken. [applause] Were there 196 or more? How many exactly? How many representatives?[Someone asks him: Representatives?] Yes, organizations, how many organizations were represented here? [answer indistinct] Some arrived later. Well, then, there were no less than 196. [Passage indistinct] Oh, why did you not remind me I had not mentioned Portugal and France? [laughter] Goodness, we appreciate these two countries so much. I trusted my memory and did not bring the list with me. [applause] I apologize for having forgotten to mention our French friends, the French Communists and the Portuguese Communists. We thank them twofold. One, for their kind and solidaristic words at this congress, and then I beg you to excuse me, to forgive me. [applause]

These oversights... [changes thought] at first I did not mean to mention everyone, but only a few, as symbols. However, I became enthused, mentioned them all, but overlooked a few. This, however, has nothing to do with our enormous appreciation and the way we value their presence among us and their statements. I was going to mention all. I wanted to say that all those who are present here are very much in my mind, even though due to understandable reasons of time it has been impossible for you to transmit your message from this tribune.

This shows the high value placed on our revolution and our struggles by the revolutionary parties and peoples. This also entails an obligation for us. It means we should not forget their struggles, especially where the peoples are waging struggles for their independence -- either to obtain or preserve it. This encourages us to fulfill our sacred internationalist duties in accordance with our capabilities.

A few days ago Mr Reagan received the bandit Savimbi with the honors of a head of state. Savimbi is a creature of the Portuguese. UNITA [National Union for the Total Independence of Angola] was created by the Portuguese, by the Portuguese political police, as an instrument of struggle against the MPLA [Popular Movement for the Liberation of Angola]. In their colonial struggle or war, the Portuguese promoted several private counterrevolutionary movements disguised as patriotic movements. Everyone knows that it was the (PID), or police... [corrects himself] the PIDE [International and State Defense Police], the Portuguese PIDE, which created UNITA and forged Savimbi. Later, when the struggle for liberation was about to culminate, the South Africans stepped in and sent support troops. Today, Savimbi is the godson, the stepson, of apartheid.

The height of Reagan's hypocrisy is that he talks of terrorism. And he threatens to use all weapons against terrorism. One of the most repugnant expressions of terrorism is the war promoted by apartheid, through UNITA, against the Angolan people. Thousands, tens of thousands of civilians have been murdered. This is known by all our comrades, men, women, and children unmercifully murdered by the racists' weapons.

It is a similar situation to that of Nicaragua. Imperialism procreated Somoza and Somozism. Yankee imperialism armed Somozism against Nicaragua, and it has also cost thousands of lives, resulting in deaths, widows, orphans, and mutilated people. We all know this. We know about the nature of those whom Reagan calls freedom fighters. [Words indistinct] and says he will request military aid for the counterrevolutionary bands in Nicaragua and Angola. But how can that aid be delivered? That aid can be delivered only through neighboring puppet governments -- in Central America, through Honduras. Everyone knows it, that it goes through there, that they have camps and training centers, and that weapons are sent through that country. This is a violation of international law. Moreover, this situation humiliates those countries; it places them outside the law and destabilizes them.

I wonder what African country will agree to become Reagan's instrument to deliver the weapons to Savimbi. How can he do this except through South Africa? Because Zimbabwe will not lend itself to this, nor will Zambia or any other neighbor. The Congo will not lend itself to this; Zaire cannot lend itself to this. If Reagan tried to use Zaire the way he uses Honduras, he would be leading Zaire toward destabilization and complicating the situation of both Zaire and Africa. But there is only one country left: South Africa. How can he be so hypocritical as to speak of terrorism, democracy, freedom fighters, yet he associates Botha and the fascist and racist South Africans [word indistinct] to help the UNITA bands?

Who does Reagan think he will scare with those threats? Who does he think he will discourage? He will not discourage Nicaraguans. I am convinced that the bands will never be able to defeat the Nicaraguan people and the Sandinists. But I am convinced of much more, that the Yankee Army could never defeat the Nicaraguan people or the Sandinists. [applause] They too have prepared for a war involving all the people, and the bravery and combativeness of the Nicaraguan brothers is proverbial. Let them not be confused with this other mixture [mezcla]. [laughter] This other mixture is very dangerous.

Shafik [Handal, secretary general of the Communist Party of El Salvador] has already said it here: If they invade Nicaragua, Salvadorans and Nicaraguans will unite. I am convinced all the Central American revolutionaries will unite to fight the invaders. [applause]

The same thing can be said about Angola. What more weapons, why more weapons, than what the racists have given to the counterrevolutionary bands? What greater support than they have provided with their troops and planes? In spite of this, Angola is militarily stronger every day. The Angolan combatants, their units -- we know very well -- are more experienced every day, more hardened. They are inflicting bigger defeats every day.

Whom will Reagan scare? The Nicaraguans, the Angolans? The friends of the Nicaraguans and the Angolans? Reagan is wrong if he thinks he will scare anyone. He is 100 percent wrong. We can say that if they increase the aid for the Somozist bands, we will do everything possible to step up our aid for the Nicaraguan people. [applause]

Reagan is mistaken if he thinks that by joining the racist South African to support the UNITA bands, he is going to achieve the withdrawal of the Cuban troops from Angola. Naturally, the Cuban troops are not there because Cuba wants to have them there. They are there due to a joint agreement between Angola and Cuba. Now, as far as Cuba is concerned, and speaking here before this congress on behalf of Cuba, we tell Mr Reagan that this is the only way that the Cuban troops will ever leave Angola. [prolonged applause]

He should not make a mistake. He should not underestimate the people of Angola. He should not underestimate the people of Cuba. He should not harbor illusions. He should not think that we are not capable of resisting. He should not harbor illusions. He should not think that we are not willing to stay 10 years, 20 years, 30 years in Angola, if necessary. [applause] He should not underestimate the revolutionary spirit of our people, and our tenacity.

We have not opposed political solutions. On the contrary, we have cooperated, we have supported Angola in the search for political solutions. Formulas have been established, such as Namibia's independence as a prior step for the withdrawal of the [word indistinct] and even a part of the troops that woundn't be needed, but the remainder of the troops -- and I think that the Angolans and the Cubans agree on this -- that as long as there is apartheid, Angola is threatened. There is one solution, and I am sure the Angolans and Cubans agree on this. We are there to support the people against foreign aggression, Angola can fight by itself against internal enemies if the aid to counterrevolutionary bands is suspended. This is a perfect formula. Then, the following day, the Cuban troops begin their total withdrawal from Angola. Naturally, this is subject to the approval of Angola, because, I repeat, we are not there as a result of our unilateral decision. We are there due to an agreement between the Angolan and Cuban Governments. It is a perfect formula, Mr Imperialists, if the Cuban troops are not letting you sleep. There is a perfect and very just formula in Angola. If UN Resolution No 235 [corrects himself] 435 is applied and if apartheid is suspended, on the following day, the Cuban troops begin their total withdrawal from Angola. [applause] There you have the formula, [applause] [words indistinct].

Now this is a sort of proposal that I am sure that the Angolan brothers will agree to with us. Our people have shown they are capable of preparing themselves, as they have prepared themselves. [Words indistinct] they did not think that by threatening us, we were going to withdraw troops. Do you know what we did all this time? While others were threatening us, we reinforced our troops in Angola. [applause] They do not know us, they thought they would scare us, and that we were going to run out looking for the last cannon, the last tank, the last soldier. Now, we know how many we are and what we can do.

Far from weakening us during this term, we have increased our cooperation. Besides, we have tripled our forces; besides, we have grown 7.3 percent; besides, we have advanced in the social, health, and education fields, in everything in spite of the defects we have, of the problems we have surpassed. Isn't this a success?

What good have Reagan's threats done us? They have strengthened us, have made us more revolutionary, more internationalist, and more efficient. Therefore, to conclude we might say: Thank you, Mr Reagan. We recall that 2 days ago he celebrated his 75th birthday, and we might even tell him we wish him a long personal life. May he live to be 100 years, if he can. We wish him a very short political life in the United States, I think that his ideas are anachronistic. [laughter, applause]

His ideas are obsolete. He underestimated the peoples, he underestimated the revolutionaries, he underestimated the world. He married the Somozas, he married the Savimbis, he married the Afghan counterrevolutionaries, he married the genocidal Kampucheans, and now he realizes things are not moving, that he is not solving anything, that this is not a matter of dollars, of money, of weapons. He cannot understand this. Instead of changing things, instead of criticizing himself, which is what I urge him to do, he insists on sending more aid and more weapons, as if this were a matter of more money and weapons.

Mr Reagan, this is not a matter of money, this is not a matter of weapons. This is a matter of ideas, of conscience, this is a matter of history. May I remind you of that quote, that beautiful quote by Marti when he said that it is not important to have a number of weapons on hand, but a number of stars in the mind.

Fatherland or death, [audience answers: we will win].

HAITI

DUVALIER RECORDED MESSAGE AIRED AFTER DEPARTURE

PA072127 Paris AFP in Spanish 1811 GMT 7 Feb 86

[Text] Port-au-Prince, 7 Feb (AFP) -- In a recorded message to be broadcast on television after his departure, former Haitian President Jean-Claude Duvalier declared that he was leaving power to the Army to be able to "enter history with his head held high."

"God is witness to the fact that I never wanted any bloodshed," the former life-time president added, estimating that he had installed "stability" and "began an irreversible era of democratization and liberalization."

The principal radios, which had maintained silence over the past few days, resumed their broadcasts immediately after the fall and departure of Duvalier, including Radio Soleil, the Catholic Church station, firm opponent of the former regime which was closed on two occasions by the authorities.

NAMPHY EXPLAINS TAKEOVER, APPEALS FOR CALM

PA071623 Paris AFP in Spanish 1532 GMT 7 Feb 86

[Excerpt] Port-au-Prince, 7 Feb (AFP) -- The Haitian Armed Forces "do not have any political ambition," Lieutenant General Henri Namphy, president of the National Government Council, stated on a message to the nation on radio and television.

Namphy said that the Haitian Army had intervened because the country was "on the verge of an abyss," threatened both by an "attack on the integrity of the nation and by the terrible spectrum of a civil war."

The lieutenant general, who recalled that respect for human rights is fundamental, appealed for calm and serenity.

VIOLENCE, LOOTING REPORTED; CABINET APPOINTED

PA082137 Madrid EFE in Spanish 2032 GMT 8 Feb 86

[By Ricardo Medina]

[Text] Port-au-Prince, 8 Feb (EFE) -- The Haitian people rushed to the streets in a savage demonstration of pillage, at least 20 persons died, and General Henry Namphy appointed a new government and released the political prisoners.

Despite the curfew imposed from 1400 to 0600 in the morning, Port-au-Prince was plagued by looting and explosions throughout the night and this morning.

Soldiers did not intervene as citizens took revenge on the "Tontons Macoutes," the personal guard of Jean-Claude Duvalier, who left the country Friday for France accompanied by his family and close collaborators.

Haitians turned the first hours without Duvalier into demonstrations of the hatred and rage accumulated during 28 years of Duvalier rule. Although happy at first, they later turned to vandalism and revenge.

The national government council took power under General Henry Namphy, who today appointed his Cabinet and released the political prisoners, although national radio did not reveal the identity of the prisoners.

Today, Namphy brought two old War War II vintage tanks out of storage which the Duvaliers kept in the French colonial national palace. The two tanks were seen on John Brown Avenue, witnesses told EFE, but they were not able to determine their distination.

The militia disappeared from the streets today and patrols are scarce, manned only by soldiers.

The Cabinet also includes Colonel William Regala, as interior minister; Gerard Gourgue, as justice minister; Alex Cineas, as minister without portfolio; and Odenel Fenestor, as minister of commerce and industry.

Rony Desroches is minister of education; Marcel Leger, minister of finance; Sainthar Bontemps, minister of health; George Petit, minister of public works; and Tony Auguste, minister of social relations. The names of other appointees were not announced.

Most of the Cabinet members are well-known Duvalier supporters, although it is notable that Gourgue, president of the League of Human Rights, has been named minister of justice.

Today, the streets of Port-au-Prince were littered with broken glass and garbage, and businesses closed for fear of looting and robbery. The citizens do not know whether carnival, Haiti's most popular holiday, will begin Sunday as planned because no preparations have been made.

The state of siege is still in force and the curfew bans people from being on the streets after 2 p.m. [time as received] In the looting and violence prevailing in Haiti, the home of Congressman Rony Gilot, secretary general of the government party, was sacked, as was the supermarket owned by Zachery Delvas, who has been a prominent defender of the Duvalier regimes since the time of "Papa Doc." The home of Edouard Berrequet, former minister of the interior and also under the command of the militia [as received], is under military protection. Many other homes were also destroyed.

This morning over 2,000 people gathered in front of the military garrison in the suburb of Petionville, where the mayor, Paul Vericain, has taken refuge since Friday with more than 50 well-armed militiamen. The crowd moved forward step by step, but was repelled by members of the Armed Forces who were guarding the garrison. Vericain, 60, who was commander of the militia in Petionville, said: "Jean-Claude Duvalier has gone. It is time for the masses to return to their homes so that we can do the same. As far as I know, I have already ended my service with the government."

Army Major Georges Valcin, former commander of the Petionville military garrison, has been appointed secretary of information. This morning the militia killed two people in Petionville.

CURFEW IMPOSED FOR THIRD CONSECUTIVE DAY

PA091959 Paris AFP in Spanish 1916 GMT 9 Feb 86

[Text] Port-au-Prince, 9 Feb (AFP) -- A curfew has been established throughout Haitian territory from 1400 until 0600 for the third consecutive day.

This measure was adopted by the government today when the Armed Forces began, after 2 days of vengeance and individual reprisals by the people, to disarm the Tontons Macoutes, the militia of former President Jean Claude Duvalier. So far these incidents have caused 50 deaths and 300 injuries in Port-au-Prince.

COUNCIL ANNOUNCES DISSOLUTION OF PARLIAMENT

PA100040 Paris AFP in Spanish 0000 GMT 10 Feb 86

[Text] Port-au-Prince, 9 Feb (AFP) -- The National Council of the Government of Haiti today announced the disbanding of the Haitian Parliament. The Haitian Parliament, made up of 59 deputies, emerged from the legislative elections of February 1984. The opposition and the Haitian public branded the elections a fraud.

NEW GOVERNMENT TO DISBAND 'TONTONS MACOUTES'

HK100550 Hong Kong AFP in English 0520 GMT 10 Feb 86

[Text] Port-au-Prince, Feb 10 (AFP) -- The new Army-dominated government has decided to disband Haiti's 300,000-strong detested militia of ousted President-for-Life Jean-Claude Duvalier, an informed source disclosed Sunday night.

Soldiers continued Sunday to disarm the militiamen, called "Tontons Macoutes"(bogeymen), while mobs continued to pursue them and loot their houses.

Three Tontons Macoutes were stoned to death Sunday afternoon in the southern suburb of Carrefour, a reliable source said.

Between 60 and 80 people have been killed since "Baby Doc" Duvalier fled to France aboard a U.S. military aircraft Friday, hospital officials said. Most of the victims were Tontons Macoutes.

Disbanding the militia will be an economic earthquake since the militia has been this poverty-stricken Caribbean country's biggest source of jobs excepting agriculture. The disbandment would be announced Monday, the source said, but would not go into effect until a 1964 decree creating the "National Security Volunteers Militia" can be rescinded.

The new information minister, Colonel Max Valles, has appealed to the populace to "pardon the offenses" of the "volunteers", whom he called "sons of the people who were misled."

Looting and lynching of militiamen has apparently been confined to the vicinity of this capital. No violence has been reported in provincial cities since Baby Doc went into exile after 72 days of intermittent protest demonstrations against the dynasty established by his late father 28 years ago.

50 REPORTED KILLED, 300 INJURED IN CAPITAL

PA082227 Paris AFP in Spanish 2152 GMT 8 Feb 86

[Text] Port-au-Prince, 8 Feb (AFP) -- Hospital sources here have reported that 50 people have been killed and 300 injured in the Haitian capital in the last 24 hours.

Most of those reported dead were killed while attacking members of the militia ("Tontons Macoutes"), according to the sources. Apparently most of those wounded are members of the militia. However, the sources stressed that for the time being it is difficult to identify the dead and wounded.

COUNCIL RELEASES 26 POLITICAL PRISONERS

PA081836 Paris AFP in Spanish 1740 GMT 8 Feb 86

[Text] Port-au-Prince, 8 Feb (AFP) -- The new Haitian justice minister, Gerard Gourgue, has told AFP that 26 political prisoners were released this afternoon by the National Government Council.

The minister said that he visited the national penitentiary of Port-au-Prince in the early afternoon with Colonel William Regala, interior and national defense minister, who asked the person in charge of the military establishment to give him a list of political prisoners.

A group of 12 people, who have been detained since October 1985, were released together with another group of 13 detainees who are under the jurisdiction of military authority.

Gabriel Herard, a journalist for the newspaper PETIT SAMEDI SOIR who signed his articles with the pseudonyn Cassandre Kamim and was detained in December at the international airport in Port-au-Prince before departing for the United States, was also released.

The military today granted safe-conduct to the 26 released political prisoners that will allow them to return home, despite the curfew that is in force.

PUBLIC GATHERINGS BANNED; RIOTERS WARNED

PA090244 Paris AFP in Spanish 0214 GMT 9 Feb 86

[Excerpt] Port-au-Prince, 8 Feb (AFP) -- Colonel William Regala, minister of the interior and national defense, today issued a communique banning any gatherings on the city streets.

The minister also stated that he will act firmly against those engaged in disorders and anyone caught comitting an act against the life or property of others will be considered "outside the law."

Meanwhile, Colonel Max Valles, minister of information and public relations, criticized the attitude of looters who "besmirch" the pages of glory being written these last few days by the Haitian people.

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BUDGET SUBMITTED TO CONGRESS FOR APPROVAL

PY081836 Buenos Aires BUENOS AIRES HERALD in English 8 Feb 86 p 1

[Text] (NA-DYN) -- The Government yesterday submitted this year's budget to Congress while Treasury Secretary Mario Brodersohn held a parallel press conference to explain its details. The draft budget has been calculated on the basis of four percent growth and 28 percent inflation (a monthly rate of two percent) this year. The difference between expenditure totalling 14,312,862,000 australs and revenues of 11,674,720,000 australs has thus been calculated at 2.89 percent of this year's anticipated Gross Domestic Product (GDP), considerably down on last year's 5.52 percent and 1984's 12 percent. The government has pledged not to finance this deficit by printing unbacked money but will rely on foreign loans and 9.1 percent less treasury remittances to state-run companies including Aerolineas Argentinas (-80.47 percent), Obras Sanitarias (-66.31 percent) and Agua y Energia Electrica (-63 percent).

The main spending items will be economic development (29.5 percent), administration (23.4 percent), social welfare (17.9 percent), education (8.2 percent) and defence (7.6 percent). Public investment (0.2 percent of the GDP), health (up 21.1 percent), science and technology (up 17.8 percent), education (up 11.5 percent), social welfare (up 8.7 percent), defence (up 5.2 percent) and security (up 2.4 percent) have all registered gains in spending levels, mostly at the expense of servicing the national debt, which has been cut 30.6 percent although still remaining 7.65 percent of the budget.

Revenues will thus be 10.25 percent higher than last year while at the same time the treasury has promised that no province will receive less money than in 1985. Industrial export promotion will receive 281 million australs as against 19 million last year. It is hoped that manufactured exports will rise 30-40 percent this year.

The state sector will thus account for 31.22 percent of the GDP this year after having been 24.82 percent in the 1970-1972 period and 38.19 percent in the 1981-1983 period. State revenues will be 28.3 percent of the GDP. Interest payments on the government debt will descend from 4.26 percent of the GDP in 1981-3 to 2.24 percent this year although still well ahead of the 1970-2 figure of 0.88 percent. Lower House budget committee chairman Jesus Rodriguez yesterday denied that the 2.89 percent deficit figure had been set by the International Monetary Fund.

DELEGATION GOING TO UK WITH 'HUMBLE ATTITUDE'

PY102323 Buenos Aires Domestic Service in Spanish 1600 GMT 10 Feb 86

[Text] Senator Adolfo Gass has discounted the possibility of holding a meeting with British Prime Minister Margaret Thatcher. As previously announced, Gass will head a delegation of Argentine legislators who will travel to Great Britain to hold meetings with all British political party leaders. UCR [Radical Civic Union] Senator Gass will be accompanied by Deputy Federico Storani, Deputy Jose Borbon and Justicialist Senator Julio Amoedo.

Gass said that they are going with a humble attitude and that they do not feel like enemies of the British. Gass said that they are going to Great Britain in response to an invitation by the South Atlantic Council to seek support for possible future official meetings.

ARAB LEAGUE OFFICIAL ARRIVES FOR VISIT

PY101630 Buenos Aires TELAM in Spanish 1842 GMT 8 Feb 86

[Text] Buenos Aires, 8 Feb (TELAM) -- Adnan Omram, secretary general of the Arab League Political Affairs Department, arrived in our country at noon today. He said that relations between the Arab world and Argentina benefit the two parties. In remarks made at Ezeiza Airport, he said that all Arab states have the best intentions and the same desire to improve relations with Argentina. The Arab visitor was welcomed at the international airport by Ambassador Ismael Abdulkader, representative of the Arab League in Argentina, and a large delegation of diplomats comprising the ambassadors of Syria, Morocco, Saudi Arabia, Lebanon, and Algeria.

Asked about the position of the Arab world on two subjects considered as priorities for our country, namely the Malvinas and the foreign debt, Omram stated that the first step is to make our relations closer. The understanding, comprehension, and common position regarding the defense of the inalienable rights of the peoples will then come. The economic problem will be treated afterwards, and it will be solved by itself as a fruit of this cooperation.

He said that the Arab world is now facing a very unjust problem, which is that of the Palestinian people, and a positive Argentine position, or the comprehension and understanding with which it can look at this problem, will certainly have positive repercussions on all kinds of relations between the Arab countries and Argentina. He added that the Palestinian problem is typical of the injustice committed against a people by depriving it of its rights. The countries that do not recognize the inalienable rights of the Palestinian people are taking an unjust and inhumane position. We do not want a shamefaced or concealed position, but a firm and conscientious position known by the entire world, he concluded.

OPERATION AGAINST ILLEGAL IMMIGRANTS BEGINS

PY070031 Buenos Aires BUENOS AIRES HERALD in English 5 Feb 86 p 9

[Text] (NA) -- The national immigration authorities have announced they will begin searching for some 800,000 illegal immigrants believed to be residing in the country. They also announced they have stopped handing out application forms for permanent residence as of this month and about 10,000 foreign residents who had already collected their forms before February 1 have 90 days to complete all necessary requirements in accordance with new regulations which include, among others, that they can "live off their own means" which guarantees them "a home, work and health services".

According to immigration chief Luis Pombar, 200,000 foreigners have filed for legal residence in Argentina since the constitutional government assumed office. Pombar denied there would be any massive deportation of illegal immigrants but that immigration officials would start combing places of residence and of work to check out foreigners' personal documents. People aiding and abetting illegal residents will be liable to fines.

The announcements have caused considerable concern in the embassies of neighboring countries and President Raul Alfonsin is expected to discuss the matter with President Julio Sanguinetti of Uruguay when they meet on February 22.

GOVERNMENT WELCOMES FALL OF DUVALIER DICTATORSHIP

PY082030 Paz Cadena Panamericana in Spanish 1130 GMT 8 Feb 86

[Text] Jean-Claude Duvalier's fall was undoubtedly the news of the day. The repercussions of the news had the nature of a veritable carnival in many parts of the world, and Haitian exiles have given free reins to their demonstrations. In democratic countries, like ours, the end of the long Duvalier dictatorship has been received with approval.

The following statement on the event has been made by Information Under Secretary Irving Alcaraz del Castillo:

[Begin recording] I should clearly state that the Bolivian Government welcomes the fall of one of the most oppressive and [word indistinct] dictatorships of the continent and hopes that the Haitian people will find their road toward prosperity and development in a framework of freedom, social justice, and full democracy.

Although the reports about the composition and intentions of the new Haitian Government are still confusing, we trust that the effective exercise of democracy will become a reality in that brother nation in very short time. [end recording]

This was the statement made by Information Under Secretary Irving Alcaraz del Castillo regarding the recent fall of the dictator Jean-Claude Duvalier.

GOVERNMENT TO ACCEPT 5,000 HONG KONG FAMILIES

PY081854 Paris AFP in Spanish 1530 GMT 8 Feb 86

[Text] La Paz, 8 Feb (AFP) -- Foreign Minister Guillermo Bedregal reported here today that the Bolivian Government has accepted the immigration of 5,000 Chinese families from Hong Kong. The foreign minister added that the immigrants will raise cattle in the almost uninhabited region of the Bolivian northeast, and that each family will invest $100,000 dollars in the project.

Furthermore, he added that the agreement was made among the Planning Ministry, the Interior and Migration Ministry, and the Chinese foundation Pang Bin Chin, which will allow the immigrants to export 50 percent of their production, and exempt them of taxes during their first 5 years in the country. Bedregal stressed that Bolivia has only 6 million inhabitants, and a territory of 1 million square km.

Committee Deplores Immigration

PY102339 La Paz Cadena Panamericana in Spanish 1700 GMT 10 Feb 86

[Excerpts] The Santa Cruz Youth Union will not allow the scum of Hong Kong to immigrate to Santa Cruz. This was stated by Marcelo del Rio, president of the Santa Cruz Youth Union. Del Rio said that this group opposes the immigration to safeguard the cultural identity of the region. Del Rio noted that any immigration policy that will be implemented must first be extensively studied and planned to avoid past mistakes.

MILITARY REJECTS 'SECURITY, DEVELOPMENT' DOCTRINE

PY102340 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Feb 86 p 3

[By Helio Contreiras]

[Excerpt] According to a document from the Provincial Commission for Constitutional Studies that comments on the suggestions by the Armed Forces for the new Constitution, the concept of "security and development," which was upheld as a dogma by the Superior War College (ESG) from March 1964 to March 1985 and which served as a basic principle of government for the general-presidents, was rejected by the Armed Forces, which admitted its obsolescence.

In dealing with the perspective of questions that in one way or another are related to national security, the Armed Forces mention roles that should be emphasized, such as "planning and promoting national security," and they recognize that "it seems convenient not to maintain the worn-out concept of 'security and development,' although a similar but separate concept can be valid for development."

Elsewhere, the Armed Forces recognize that the concept of national security has been overextended in the past, but they note that this has only been done "in part." They also point out that "the alleged (and in some way true) abuse of the scope of the concept, in recent decades, can and must be corrected, but it must still cover certain areas. Not to cover such areas might be detrimental to the security of the nation and its patrimony in every respect (including the democratic regime).

The 'security and development' doctrine is also discredited among former ESG students, who admit that it cannot serve as the basic principle for a stategy of government because it is limited and it does not consider other problems of the country. In the view of the new president of the Association of Graduates of the Superior War College (ADESG), Air Force General Tercio Pacitti, a national consensus exists on the need for social development, which should be recognized and given broad participation in the Brazilian society. In his inaugural speech, General Pacitti avoided using the expression 'security and development,' which was defended as a government doctrine by practically all the nation's presidents since Castello Branco [the first president of the so-called revolutionary period from March 1964 to March 1985].

SOVIET PRODUCT SELECTION LIMITS BILATERAL TRADE

PY081731 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Feb 86 p 26

[Text] The further development of trade between the Soviet Union and Brazil is being limited by the latter's difficulty in finding Soviet products to exchange for products exported by Brazil. Moreover, most Brazilian importers are unaware of the existence of a Soviet credit line that gives quite favorable terms for the pruchase of products from the Soviet Union.

The payback period for that credit varies from 8 to 10 years, with 2-year grace periods. Under these terms the Soviets are committed to investing those payments in the purchase of Brazilian products, of which 50 percent have to be manufactured products. This credit line was renewed last December during the visit of Foreign Minister Olavo Setubal to Moscow.

This information was provided by the executive secretary of the Commission of Trade with Eastern Europe (Coleste) and chief of the Europe-2 (Eastern Europe) Division of the Foreign Ministry, Stelio Marcos Amarante, 44, who said that were it not for the problem of Brazil's matching purchases, the prospects for the expansion of trade between the two countries would be very good. Today, 90 percent of Brazilian purchases from the Soviet Union are represented by crude oil (of a total of $144.74 million worth of Soviet products imported in 1984, $132.8 million was paid for in crude oil; and of a total of $32.3 million in the first half of 1985, $26.11 million was taken up by crude oil).

The Brazilian exports are more diversified, although most of them are basically semi-finished products. In 1984, the pricipal exports were unrefined brown sugar ($113.76 million), raw cacao nuts ($84.47 million, refined cacao paste ($76.3 million), and unrefined soybean oil ($41.54 million). The poor variety of Soviet goods available for import has produced successive trade-balance surpluses for Brazil: $339.15 million in 1980, $602.78 million in 1981, $322.89 million in 1982, $505 million in 1983, $257.61 million in 1984, and $211.27 million in the January-June 1985 period.

According to Stelio Amarante, the Soviet Union is interested in a variety of Brazilian products, but its purchases will depend on Brazil's matching purchases. This interest includes telecommunications equipment, electronic grain selector machinery, off-highway trucks, among others. These products were exhibited in Moscow at the Expobrazil-85 Fair last October. In May, 14 telecommunications equipment manufacturers will participate in the SVIAZ-86, the most important Soviet fair for this type of equipment. According to Stelio Amarante, the Soviets are interested in various types of communications equipment, including public telephones. He believes that the number of Brazilian participants in that fair may increase.

The Soviets, in turn, are traditional suppliers of turbines for Brazilian hydroelectric plants (one of them, the Sobradinho plant on the Sao Francisco River). But this sector "is restricted" by the budgetary limitations of the Brazilian state-owned enterprises. Two projects [as published] in the area of Carajas are being negotiated with the Vale do Rio Doce Company (CVRD): A plant [as published] for the production of cast iron. The Coleste executive secretary did not reveal the cost of these investments [as published], but said their prospects are very good.

EXHIBITION PLANNED FOR MOSCOW TRADE SHOW

PY081324 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Feb 86

[Text] Brazil in October will hold the 86 Expobrazil exposition in Moscow which will include a large number of exhibitors and a great variety of products -- especially consumer goods and more sophisticated machinery. During last year's exhibition, Brazil exhibited for the first time technology in telecommunications, computers, iron and steel, and services. A total of 38 companies, organized in 18 stands, occupied an area of 400 square meters at the International Hotel in Moscow, which is only visited by government specialists and scientists.

Didio Costa Rocha Loures, 44-year-old director of the EPI [Industrial Planning Bureau] consultant and planning enterprise -- an enterprise from Curitiba (Parana State) that was assigned by Itamaraty to organize Brazil's participation in the Moscow fair -- believes that the first fair was very important especially because the Soviet Union "has no idea of how complex the Brazilian economy is."

Of the products exhibited during the Expobrasil-85 -- advanced technology, computers, iron and steel products, consulting engineering, coffee, and enterprises that deal with foreign trade -- the Soviets were most interested in telecommunications technology, computerized telephone exchanges, equipment to pick up satellite signals, public telephones, and the KS [expansion unknown] exchanges.

According to Loures, some Soviet delegations visited Brazil after the fair in order to continue the negotiations begun in Moscow. This has encouraged several Brazilian telecommunications companies to participate in the Sviaz-86 exposition, which will be held in May. He noted, however, that the results will only be felt in the medium and long term because the Soviet operational apparatus is very slow.

Loures explained that the date for the opening of the fair has not been fixed yet -- "it will be held in October again but we still have not coordinated the date with a Japanese exhibition scheduled for the same month" -- but it will cover a larger area (600 square meters) with the participation of new sectors including the 38 companies that took part in last year's fair. The EPI director said that producers of manufactured goods (electrical appliances, clothing, shoes, etc) and of more sophisticated equipment will take part.

Didio Loures asserted that the organization this year should be less complicated and more efficient. "Because it was the first time last year we had some problems reserving hotels and shipping the goods to be exhibited. Because we feared the bureaucracy involved, we shipped the goods ahead of time and then found that we were faced with the problem of the time they had remained in the Soviet Union."

The EPI director sees three opportunities to increase bilateral trade with the Soviet Union: 1) Soviet purchases not compensated for by Brazilian purchases, which would include transactions in the areas of computers, telecommunications, and commodities; 2) Soviet purchases, which would involve sale of manufactured goods to the Soviet Union -- a type of transaction made difficult by the lack of Soviet manufactured goods in which Brazil is interested; and 3) joint operations aimed at third markets, especially those in which the Soviets have problems entering and in which Brazil is a traditional supplier

MISSION TO TRY TO SELL PATROL BOATS TO IRAQ

PY081419 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 86 p 4

[Text[Brasilia -- Engineer Jose Whitaker Ribeiro, president of Specialized Engineers, Inc., Engesa, manufacturers of armored cars, will now also sell Navy vessels. Whitaker Ribeiro has been asked by Ishiikawajima of Brazil (headquartered in Rio de Janeiro), to try on his next trip to Iraq to sell ocean patrol boats to the Iraqi authorities.

Ishiikawajima wants to offer a boat model similar to the one that will be offered to the Brazilian Navy, which wants to equip a squadron with modern patrol boats. The Brazilian Navy intends to purchase 16 boats of this type, and it requires sophisticated sensors and electronic equipment. It also requires that each boat be equipped with a helipad -- that is, a small landing platform for helicopters capable of receiving gunships of the Esquilo type, which are manufactured in Minas Gerais by Helibras [Brazilian Helicopters, Inc].

Following the example of other Middle East naval forces, the Iraqi Navy has turned from the Soviet influence of the 1970s to the European-style ships. Ishiikawajima has asked Whitaker Ribeiro to negotiate because it knows the influence he has with the Iraqi military officers. The Iraqi Army is Engesa's main client in the Middle East. This visit by Whitaker to talk with the Iraqi Navy will not be his first mission to the region. Early last year, former Navy Minister Alfredo Karam led a commercial delegation to Libya. Karam's initiative, without participation by Itamaraty, has upset Brazilian foreign policy. On the eve of his departure, while saying farewell to President Figueiredo, Karam received a written memorandum from the Foreign Ministry containing precise instructions for negotiations with Libyan authorities. Admiral Karam was trying to sell ammunition for the Iraqi Navy cannons. This ammunition is manufactured by the Brazilian Navy for the cannons that equip the six British-designed frigates, but negotiations failed.

AIR FORCE RULES OUT UK HARRIERS FOR CARRIER

PY081155 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 86 p 4

[Text] Brasilia -- The Brazilian Air Force will not purchase the vertical takeoff U.K. Harrier fighters which the Navy wanted for the aircraft carrier Minas Gerais, according to information from the Navy. This information comes from the office of Navy Minister Henrique Saboia, but it still has not been officially confirmed by Brigadier Octavio Moreira Lima, the Air Force minister. If confirmed, it will mean that the Navy is abandoning the large project of re-equipping the Minas Gerais. Harrier fighters would permit the carrier to be used as an attack ship, and not just as an antisubmarine ship. The Minas Gerais would have to be modified to accommodate a squadron of these fighters. The carrier, which this year celebrates 30 years of service, would need to have more sophisticated electronic equipment and an elevated angle flight deck called a "jump deck" [in English], which gives the Harrier a greater impulse for takeoff and saves 30 percent of the fuel used on takeoff.

The Brazilian Air Force will not give priority to the purchase of the Harriers because of the cost -- between $200 to $300 million, depending on the number of planes, their weaponry, and accessories -- and the fact that their use would be restricted to naval operations only. The Navy did not elaborate on the second part of this decision. During the "war games" -- electronically simulated attacks using scale-models -- practiced by the Navy staff, the Harriers, when on land, are considered easy prey for an enemy. The Navy, however, believes it is vital to have its own air power, adequate for a modern war. The Brazilian Air Force analysis of the situation faces another problem: it is gathering the necessary resources to buy six Mirage interceptors and the greatest possible number of F-5E attack planes -- all second-hand. The Air Force staff is considering this purchase from factory stocks and from other air forces, mostly in Asia and Oceania, which are willing to sell.

FORMER MINISTER OUTLINES OPPOSITION'S PLANS

FL102256 Mexico City NOTIMEX in Spanish 1600 GMT 10 Feb 86

[Text] Mexico City, 10 Feb (NOTIMEX) -- Orlando Millas, former finance minister in the Popular Unity Government of Chile, has asserted that the dictatorship being withstood by the Chilean people will definitely end this year. He said that following a meeting with all Chilean party leaders he is currently organizing efforts to comprise a common front, like the one which forced Jean-Claude Duvalier to abandon power in Haiti. Millas issued a statement during an act of solidarity which was held in this capital by the Worker's Socialist Party following their fourth workers-union conference. He added that the Political Commission of the Communist Party of Chile and all Chileans in exile have started an organization to follow in the footsteps of the Haitian people, who have proven that when there is a will every dictatorship falls, no matter how armed and protected it may be.

FPMR CLAIMS RESPONSIBILITY FOR BLACKOUT

PY061433 Paris AFP in Spanish 1344 GMT 6 Feb 86

[Text] Santiago, 6 Feb (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR), which promotes armed insurrection against the military regime of President Augusto Pinochet, today claimed responsibility for the blackout that last night left four million inhabitants in Santiago and other Chilean citizens in the dark. Through a telephone call placed to the news agencies, an FPMR spokesman claimed responsibility for the blackout that was caused by explosives that downed several pylons.

The blackout in Santiago, which lasted for over 30 minutes, interrupted the radio and television broadcast of the opening ceremony of the Vina del Mar international song festival, held in the resort city on the Pacific coast. The FPMR spokesman said that this was the objective of our attack because the festival is an exhibition of frivolities used by the dictatorship to hide the hardships of the population.

Minutes before the blackout, the FPMR interrupted national television broadcasts in some Santiago areas. Viewers heard a woman issuing a call for people to participate in a general strike that several union sectors have scheduled. At the same time an unidentified commando group hurled an incendiary bomb at an urban bus in front of the La Moneda presidential palace. The vehicle was destroyed but none of the passengers were injured.

The Vina del Mar festival was not interrupted and artists like Mexican singer Luis Miguel, Spanish singer Paloma San Basilio, and American singer Sheila E. paraded on stage. In addition to Santiago, the blackout also partially affected the area between the cities of Copiapo in the north and Talca in the south, an area encompassing over 1,000 km.

Denies Argentine Links

PY071714 Buenos Aires DYN in Spanish 0304 GMT 7 Feb 86

[Text] Buenos Aires 6 Feb (DYN) -- A high-ranking leader of the armed Chilean organization Manuel Rodriguez Patriotic Front (FPMR) has flatly denied that this group has any link with leftist sectors in Argentina or "any other Latin American country."

The head of this organization, who identified himself as Commander Fernando Robles, also denied U.S. Ambassador Vernon Walters' statements about a coordinated action among the Latin American guerrilla groups, among which he mentioned the Montoneros and the Tupamaros. The statements by the high-ranking FPMR leader will appear in tomorrow's issue of the weekly EL PERIODISTA, which obtained the first interview this organization has ever granted to an Argentine magazine.

Ambassador Walters' statements have been rejected also by Armando Jaramillo, president of the Chilean Republican Party and the Democratic Alliance, a moderate trend, who said that the U.S. ambassador's statements "leave me quite cold." "Besides," he added, "when (Walters) was here in Chile, the Pentagon disavowed him because of his rather fascist-leaning statements." In turn, Robles stressed that "this idea of putting Tupamaros and Montoneros, who are active in democratic countries, in the same bag with the Movement of the Revolutionary Left and our front, which are fighting a dictatorship, is a clumsy maneuver."

Regarding rumors on links between the FPMR and Argentine leftist organizations, including the Communist Party, he said: "We see in this a maneuver of the U.S. Department of State." He added: "In the name of the FPMR Executive Board I flatly deny receiving help now from leftist movements in Argentina or any other Latin American country." As for Jaramillo, he deemed as absurd the possibility of the Argentine Communist Party granting help to its Chilean counterpart. He said: "It sounds absurd, to say the least, because the Argentine Communist Party -- as far as I know -- is extremely small, almost insignificant, and the Chilean Communist Party is a powerful organization."

SPECIAL PROTECTION GIVEN TO HAITIAN EMBASSY

PY102240 Santiago Domestic Service in Spanish 1630 GMT 10 Feb 86

[Excerpt] The government has ordered special police protection for the Haitian Embassy in Santiago as of today. This measure was adopted after the Haitian ambassador to Chile requested it. This news was delivered by Foreign Ministry spokesman Pablo Valdez:

[Begin Valdez recording] We received a message from the Haitian ambassador asking for greater police protection, given the circumstances his country is experiencing. Therefore, the Foreign Ministry has talked with the Carabineros, who reported that the Haitian Embassy is being given special protection as of today. The Haitian ambassador received some threatening telephone calls, which is why he contacted the Foreign Ministry, which has the appropriate measures by sending police protection to the embassy. [end recording]

Pablo Valdez replied to reporters' questions about the situation in Haiti. He said that the Chilean Government is awaiting a formal message communicating the change of authority in Haiti.

BRIEFS

TRADE DEFICIT -- It has been reported that the Chilean-Latin American balance of trade registered a $171.3 million deficit during the first 9 months of 1985, compared with the $300.8-million deficit registered during the same period in 1984. [Summary] [Santiago EL MERCURIO in Spanish 21 Jan 86 p B 2 PY]

RAMIREZ DISCUSSES PACIFIC OCEAN PROTECTION

PA100051 Bogota Cadena Radial Super in Spanish 1730 GMT 8 Feb 86

[Text] Bogota -- The Andean Pact has offered its full support to the region's countries in their effort to defend the Pacific Ocean's ichthylogical wealth, which is not only threatened by eastern nations fishing but also by France's atomic tests on the Muroroa Atoll.

Upon returning to the country after meeting with Peruvian President Alan Garcia and Foreign Minister Allan Wagner in Lima, Colombian Foreign Minister Augusto Ramirez Ocampo had the following statement for this radio station:

[Begin recording] We also discussed issues related to the South Pacific. As you know, Colombia will be the organization's host country for the next 5 years -- I mean the South Pacific commission. We proposed to our colleagues, in this case Ecuador and Chile who are members of the commission, to work toward declaring the exclusive 200 mile economic zone one of peace. I also invited them to try and turn this viewpoint into one of the commission's main focus points in its international efforts over the next few years. [end recording]

FARC LEADERS REITERATE PURSUIT OF PEACE

PA061029 Madrid EFE in Spanish 2330 GMT 5 Feb 86

[Excerpts] Bogota, 5 Feb (EFE) -- Manuel Marulanda Velez, alias "Tirofijo," and Jacobo Arenas, top commander and ideologist, respectively, of the Revolutionary Armed Forces of Colombia (FARC), affirmed today that their attitude vis-a-vis the upcoming elections in the country will be peaceful, and they denied that there is any type of dissidence within the organization.

In a shortwave report from the mountains of La Uribe in the country's eastern plains, the top leaders of the oldest Colombian guerrilla organization answered questions by the CARACOL Radio Network in Bogota.

"The Colombian people can expect the FARC attitude toward the upcoming electoral debate to fall within the framework of legality and peace," Jacobo Arenas stated. He warned: "But what the leaders of the FARC think is one thing and what the enemies of peace think is another," referring to those who have claimed that the group is preparing to sabotage the 9 March and 25 May elections in the country.

From the central FARC camp, "Green House," CARACOL contacted them through a radio installed by the State Telecommunications Enterprise, Telecom, a few weeks ago so that Commanders "Tirofijo" and Arenas could talk whenever necessary with the Peace Commission.

The two commanders reiterated that in the coming elections the FARC "will not only continue to abide by the agreements of La Uribe, but is ready to contribute ideas for a mobilization at the polls."

Asked if they would be ready to lay down their weapons on the 27 fronts of the organization throughout Colombian territory, Arenas replied: "This issue has been raised, but there is one problem and that is the consultations with the combatants, because it is an issue that would have to be discussed in depth."

Regarding President Betancur's peace policy, the two guerrilla leaders said: "We have always believed in his good faith," but "Tirofijo" added: "The president is one thing and those who wield power are another."

They also announced their intention that "whoever the next Colombian president is" they will continue on the path of peace.

"We have not set a date as yet for signing and as long as the president-elect pursues a peaceful policy and the new parliament undertakes the reforms that were agreed upon in the La Uribe agreements," the process will be maintained.

Both guerrilla leaders agreed in saying: "We have disavowed and condemned crimes like kidnapping, extortion, blackmail, and will continue to fight them."

"We do not commit that sort of crime, nor do we coerce foreign enterprises that produce capital in this country," Marulanda Velez stated.

They also added that in the current talks with the Peace Commission "we are discussing reforms of a political, economic, and social nature, the lifting of the state of siege, and the welfare of all our fellow citizens" and said that if these reforms take place "peace is near."

Participation in Elections

PA061008 Bogota Television Service in Spanish 1730 GMT 3 Feb 86

[Text] The Revolutionary Armed Forces of Colombia, FARC, have reiterated at La Uribe in Meta Department they want to participate in the elections through the Patriotic Unity [UP].

The members of the Peace, Dialogue, and Verification Committee have held talks with the FARC hierarchy in the La Uribe mountains, which established that the ceasefire has been extended for an indefinite period of time. It will then be up to the next administration to decide if it will uphold the truce signed between the FARC and the current administration.

Margarita Vidal spoke with Manuel Marulanda Velez [top FARC commander] at La Uribe.

[Begin Marulanda recording] [27-second break in audio transmission] We think this aspect is very important, because it shows we are interested in finding solutions other than war. We think the people are tired of enduring so many years of violence, and we think that as long as the government and the authorities allow this opportunity for extending these agreements, this is very interesting for us. On our part, we have very good intentions of continuing with this peace process, and we think that the three meetings we have held have shed light that allows both parties -- the government and us -- to continue with this process through the end of Belisario Betancur's administration. If possible, the parties, the labor unions, the clergy, and all of the Colombian people would then reach an agreement and then let us continue this process with the next elected president.

However, we also need to learn the opinion of the next president, and not only the next president, but all the candidates running for president. We are interested in meeting with them to learn their opinions concerning this peace process; which we think is extremely important for finding solutions -- peaceful solutions -- not war. We are not interested in war. If we were, we would have already resumed the struggle last December. On the contrary, we proposed a new formula for continuing with this peace policy. [end recording]

GOVERNMENT ISSUES COMMUNIQUE ON WORLD OIL CRISIS

PA071236 Quito Voz de los Andes in Spanish 1130 GMT 6 Feb 86

[Text] On Wednesday the national government issued a communique stating its position on the world oil crisis and the strategy to be adopted in the face of it, and requesting national cooperation. It endorsed any initiative designed to establish a balance in the oil market, and announced that austerity measures and measures intended to rationalize expenditures will be expanded. It also called for a frank dialogue with the exporters and asked the private sector to cooperate to confront the crisis with the least social cost, and with realism and bravery.

Concerning this issue, here is Patricio Quevedo Teran, national secretary of public information:

[Begin recording -- in progress] [Quevedo Teran]...its agreement with the principles that serve as the basis for the joint declaration issued by the presidents of Mexico and Venezuela at the end of their meeting in Cancun.

2. Reiteration of the view it has been firmly and coherently maintaining to the effect that the just participation of Ecuador in OPEC's production levels must be recognized due to its position as a minor producer.

3. Special emphasis on the advisability of a frank and constructive dialogue among all oil exporters, whether OPEC members or not, as the valid means to restore the balance in the energy markets consists of a suitable and efficient coordination among all exporters, with the full understanding that a crisis in this area gravely affects the world economy as a whole.

4. The indication that a sustained decline in the oil prices weakens the crude oil exporter's position and makes the fulfillment of their foreign commitments more difficult as well as their capacity to finance the exports needed for their development.

5. The reaffirmation of the national government's commitment to continue expanding the policies of austerity and rationalization of expenditures while requesting the patriotic cooperation of the private sector in order to confront the current difficulties with the least social cost possible; also, within a context marked by realism and bravery, to continue guiding the country with optimism, determination, and intense work toward overall development characterized.

[First reporter] Does this mean that you agree with the agreement between Venezuela and Mexico?

[Quevedo Teran] That is right. The communique's first numeral is very emphatic in stating that it endorses the principles, views, and basic opinions that served as the basis for the joint declaration released by the presidents of Mexico and Venezuela last Friday.

[First reporter] [Words indistinct] bad interpretation by the Venezuelan president?

[Quevedo Teran] It is not a bad interpretation by the Venezuelan president. Rather, it must be a bad interpretation by the person who asked him the question, because Mr Lusinchi said in his response that he has no official confirmation of (?that other aspect).

[Second reporter] We would like to know what the readjustment programs are that the national government is preparing to confront the economic emergency approaching as a result of the oil price decline.

[Quevedo Teran] As the president said on Friday when he arrived in Guayaquil, definitions have already been made concerning this matter. In truth, the [word indistinct] that the Monetary Board approved on Tuesday last week seek to make it possible to overcome the problem with the least social cost, while remaining as much in line as possible with the general goals of development. [end recording]

AUTHORITIES SEEK WAYS TO IMPROVE TRADE WITH U.S.

PA071531 Quito Voz de los Andes in Spanish 1130 GMT 4 Feb 86

[Excerpt] On Monday at the offices of the National Financing Corporation, bilateral investment talks were initiated between Ecuadoran authorities and a special delegation from the United States, formed for this purpose by the U.S. Government.

During the inaugural session, economist Xavier Neira, industry, commerce, and integration minister, underlined the main aspects of trade relations between the two countries.

[Begin recording] The United States represents more than 45 percent of Ecuador's global exports. It is also Ecuador's main supplier, accounting for at least 35 percent of our total purchases. However, we believe this relationship can be strengthened, and this strengthening could come through greater cooperation: for example, in the application of the generalized preference system, which is one of the mechanisms Ecuador has taken advantage of and can take even greater advantage of, overcoming a series of stumbling blocks and obstacles that hinder U.S. trade with all the countries of the world.

We also believe that due to the requirements and demands made by the FDA and the U.S. Agriculture Department on the entry of many products that we can export because of our natural competitive advantages, it seems appropriate for us to take advantage of this forum to state certain problems that have been troubling the Ecuadoran Government because of its need to diversify its exports.

At this time there are options to export nontraditional agricultural products that have never been exported before. I am referring to tomatoes, certain types of melons, and some other horticultural products that we are having trouble getting into the United States because of the controls implemented by the Department of Agriculture and the Department of Trade. It would be very useful to standardize the requirements of the U.S. Government, making them easier for Ecuador to meet, so that we can have access to that market. [end recording]

INDUSTRIAL GROUP SEEKS U.S. ENVOY'S AID ON EXPORTS

PY062052 Asuncion LA TARDE in Spanish 5 Feb 86 p 6

[Text] The leadership of the Paraguayan Industrial Union (UIP) has asked U.S. Ambassador Clyde Taylor for his government's support for increased exports to the U.S. market. They also requested support for efforts to obtain credit lines for the private Paraguayan productive sector because most of the financial aid granted by U.S. organizations is currently stagnant. Ambassador Taylor yesterday visited members of the UIP executive board as part an initiative he has taken to become acquainted with the concerns of the Paraguayan public sector. Ambassador Taylor, who was accompanied by embassy officials, was received at the UIP headquarters by its president, Ubaldo Scavone, who was accompanied by Gerardo Doll, Nicolas Luthold, Arturo Jara, and others.

The businessmen are interested in increasing exports of Paraguayan products to the United States. Currently Paraguay is sending 3,200 pairs of women's shoes in addition to approximately 5,000 pairs already sent. Garments will soon be exported, for which reason the businessmen have requested Ambassador Taylor's good offices.

Criticizes Credit Policy

PY102324 Asuncion LA TARDE in Spanish 5 Feb 86

[Text] The Paraguayan Industrial Union [UIP] has issued a document about the current Paraguayan credit policy. Its text follows:

"On several occasions and under all circumstances, we have proclaimed and defended the need to implement a credit policy fully in keeping with our national problem of socioeconomic development.

"We understand that financial resources, which are a basic instrument to improve our national productive capacity, should be put at the disposal of the sectors that need them most. By credit policy, we mean a systematic set of regulations with a specific purpose to evaluate any given need. When applied, the regulations should fulfill an objective. Despite all our demands, however, there is no evidence of a consistent credit policy favoring the productive sectors and industrial development, namely small and medium-sized industries, or encouraging the credit-granting institutions to fully identify themselves with our national economic problem.

"The handling of public credits, which follows diverse criteria not in keeping with the objective of government-sponsored programs also implemented by the private sector, is an improvisation and not an application of a regulation policy. The results of this are evident: discriminatory criteria when granting credits, untimely granting of credits, and the absence of a followup process to verfify the final destination of the resources, which must be correctly used because they are scarce.

"A credit should benefit the real actors in the productive sectors, but unfortunately these people have no banking relations or enough guarantees to receive credit. It is therefore worthwhile to create a fund to cover unfortunate cases. Such a fund should serve as insurance to compensate for credits that may not be recovered. Our rural workers, whom we call peasants, really deserve these guarantees since they are responsible for our national production and export, which represent 80 percent of our income in foreign currency.

"We will continue insisting on this matter because there is no use rhetoric which is not identified with concrete facts that might help increase our production.

POLICE BREAK UP MOPOCO MEETING IN ASUNCION

PY072350 Paris AFP in Spanish 1541 GMT 6 Feb 86

[Excerpt] Asuncion, 6 Feb (AFP) -- Spokesmen of the dissident Paraguayan Colorado Popular Movement (Mopoco) today reported in Asuncion that the police raided the residence of one of the group's leaders and thwarted a plenary meeting. Uniformed and plainclothes police carried out an operation similar to two other raids conducted earlier this week to prevent a plenary meeting with representatives from abroad and rural areas of the country, a Mopoco spokesman told AFP.

ALLEGED TERRORIST GROUP CLAIMS BOMBING

PY071450 Asuncion EL DIARIO in Spanish 7 Feb 86 p 39

[Text] An alleged terrorist organization has claimed responsibility for the attack or explosion on 28 January in the house of businesswoman Juana Benitez Ocampo, who was killed in the explosion. According to a cassette recording, the Guerrilla Organization for the Liberation of Paraguay [Organizacion Guerrillera para la Liberacion del Paraguay] carried out the attack. It also claims responsibility for the killing of Eng Solaeche Yaluk and the theft of a machine gun from the Mboi'y police station. The cassette, delivered to Radio Nanduti, was handed over by the radio station to the police for study.

BENJAMIN ACEVAL BISHOP JOINS HUNGER STRIKE

PY062313 Paris AFP in Spanish 2315 GMT 5 Feb 86

[Text] Asuncion, 5 Feb (AFP) -- It was reported here today that more than 50 Paraguayan citizens, including a bishop, have started a hunger strike in solidarity with a person whom the police accuse of belonging to a guerrilla group. The person in question has been on hunger strike for 55 days demanding to be released. Meanwhile, approximately 200 persons signed an open letter published in the opposition weekly EL PUEBLO asking Paraguayan President Alfredo Stroessner to immediately release the prisoner, Remigio Gimenez, because of the latter's poor health. Gimenez was taken to the police hospital in Asuncion last week and fed intravenously in an effort to improve his health.

More than 50 persons, including Monsignor Mario Melanio Medina, the bishop of the town of Benjamin Aceval, and priest Americo Ferreira, have gathered at the Beato Roque Gonzalez church and begun a 12-hour hunger strike in order to draw attention to the situation of Remigio Gimenez. Gimenez was kidnapped by the Brazilian Federal Police and delivered to the Paraguayan police. He has been held on the premises of the Paraguayan political police for 3 years, during which he was tortured and finally sent to the regular prison, according to his lawyer.

7 OPPOSITION MEMBERS RELEASED FROM JAIL

PY062147 Madrid EFE in Spanish 1741 GMT 5 Feb 86

[Excerpt] Asuncion, 5 Feb (EFE) -- The Paraguayan Police have released the seven members of the opposition Authentic Radical Liberal Party (PLRA) arrested in a rural village on 2 February. The PLRA members were released after party leaders submitted a plea for "habeas corpus" to the court. No official explanation has been provided.

COLOMBIAN MINISTER DISCUSSES DRUGS, TERRORISM

PY062358 Lima Radio del Peru in Spanish 2230 GMT 5 Feb 86

[Text] Colombian Foreign Minister Augusto Ramirez Ocampo has arrived here for a 3-day official visit. He was received by his Peruvian counterpart Allan Wagner Tizon. During a short press conference, the Colombian foreign minister emphasized the need for a joint international right against drug trafficking, and said that efforts to erradicate this great scourge of human kind should be taken seriously by the great countries that consume the drugs.

Foreign Minister Augusto Ramirez Ocampo praised the success of Operation Condor, in which Peru and Colombia dealt a harsh blow to drug trafficking in the Amazon region.

[Begin recording] For us, international cooperation is indispensable. The problem of drug trafficking was included in the statement by the presidents of the Andean countries. The need to face frug trafficking as an international issue has already been mentioned. It is indeed an international issue, and this is why it is necessary to study serious measures against drug trafficking in the United Nations and the Andean Pact. Actually, Peru and Colombia have shown their effectiveness in fighting this universal scourge with Operation Condor in the Amazon region. This operation has brought about extraordinarily good results, and has been included in the talks between Presidents Garcia and Betancur [words indistinct].

Finally, I would like to express my special thanks to Foreign Minister Allan Wagner for the excellent idea of naming the antidrug agreement which we hope to sign at an Andean level soon, after our former Justice Minister Rodrigo Lara Bonilla, who was murdered in a cowardly way -- sacrificed in the defense of this thesis. As weboldly and energetically carry out this policy, we ask the drug-consuming countries to play their role in this fight. We Colombians believe that these drug-consuming countries are not doing enough in this field. Moreoever, the Colombian press has pointed out the large amount of marijuana cultivation in the United States, as well as the numerous (?magazines) with unrestricted circulation, which propose all types of trade in this product. I believe it is the duty of these countries to share the burden of this fight and not just to place it on the shoulders of the producing countries. The burden has to be on their shoulders as we. [end recording]

Colombian Foreign Minister Augusto Ramirez Ocampo confirmed that there is an alliance among the subversive groups on our continent and reported that Colombian and Peruvian guerrillas maintain very close ties.

Ramirez Ocampo harshly criticized terrorism and stressed that humanity should declare war against it. He added that in democratic countries, like Peru and Colombia, the presence of subversion is inexplicable and that it tries to justify its violent approach by alleging just causes.

[Begin recording] We have provided unequivocal evidence that terrorism is humanity's latest enemy, and we should declare war on it. We have proposed this at several forums with the understanding that the war against terrorism should be international because terrorism has international ties.

It is not possible to ask each country to deal with it on its own. Both Peru and Colombia have painful experience in this matter. Fortunately, last December the United Nations approved a clear-cut resolution on this issue: There is no justification for endangering innocent lives.

This is a matter of principle and the basis for the premise that the end does not justify the means. Whenever these means include destruction of public property, which by definition belongs to everyone, and endangering the lives of innocent people in order to pursue allegedly noble causes, I feel that they jeopardize a struggle that in countries like Peru and Colombia as well as other Latin American nations, is being carried out by democratic institutions with full respect for the activities and ideas of other people and for human rights.

President Alan Garcia has said: Savage methods will not defeat savagery, instead, there is a need for (?agreement), unity, and joint efforts from countries that believe these ideals should be preserved in the struggle against this international scourge.

However, terrorism is international, and we believe that current links between the various subversive movements are endangering the lives of innocent people in order to attain objectives that are inexplicable, at least from the point of view of Peru and Colombia, which have democratic systems of government.

I firmly believe in this proposal, which has been under discussion for some time now. [end recording]

INTERIOR MINISTER ANNOUNCES POLICE REORGANIZATION

PY061533 Lima Panamericana Television Network in Spanish 0200 GMT 6 Feb 86

[Excerpt] During a press conference at Government Palace, Interior Minister Abel Salinas today announced the reorganization of the Police Forces. He said that a unified command has been created and that it will be coordinated by a single general director. The minister also announced the creation of a single school for the training of both officers and noncommissioned officers, thus concentrating all efforts toward achieving the debureaucratization of the police forces. This way there will be no desk policemen, he said.

The minister also announced the reorganization of the Immigration Police, the fiscal police, and the health unit of the police forces. In conclusion, the minister said that these measures attempt to clearly define the functions of the various organizations, such as the Republican Guard, the Civil Guard, and the Investigative Police.

Force Commander Appointed

PY101310 Lima America Television in Spanish 0300 GMT 9 Feb 86

[Excerpts] Lieutenant General Carlos Rodriguez Tirado was sworn in today as the first director general of the police forces. The ceremony was held at the office of Interior Minister Abel Salinas, in the presence of high-ranking officials and officers of the Police Forces.

During the same ceremony, the directors general of the Investigative Police and of the Republican Guard, Lieutenant General Mario Munoz Malaver and General Julio Nino Rios, respectively, were confirmed in their posts.

At the end of the ceremony, the new commander of the police forces announced new promotions and reassignments for some subordinate officers, and the election of new staff for the lieutenant generals of the police institutions. Further details will be released in due time.

[Begin recording] [Unidentified reporter] What system will be implemented now after the unification of the police forces?

[Rodriguez Tirado] Well, the cadres, as far as the generals are concerned, have been consolidated. This is the beginning of the unification of the police forces. This cadre will be established in accordance with the seniority of the generals, but there are other aspects to be taken into account as well. As you know, right now there is a very large number of generals in the police forces.

DISCHARGED POLICEMEN FORM 'NEW TERRORIST GROUP'

PY082350 Madrid EFE in Spanish 1944 GMT 8 Feb 86

[By Enrique Walls]

[Excerpts] Lima, 8 Feb (EFE) -- The emergence of a new terrorist group apparently made up of discharged policemen, to whom the fire in Lima this week is attributed, has promoted the government decision to impose a curfew in the capital.

According to police sources, cited today by the press, the Peruvian intelligence police feel that the degree of professionalism and the characteristics of the great fire on Tuesday are not the same as those found in the usual attacks conducted by Shining Path and the Tupac Amaru Revolutionary Movement.

Commenting today on the emergence of the alleged new terrorist group, the newspaper EXPRESO called it "green path" [sendero verde].

The government of the social democrat American Popular Revolutionary Alliance is thus facing an escalation of violence which has not responded to the desire of pacifying the country through dialogue expressed by the new government officials of Peru.

INTELLIGENCE OFFICER DIES AFTER SHOOTING

PY061923 Paris AFP in Spanish 2029 GMT 5 Feb 86

[Excerpt] Lima, 5 Feb (AFP) -- The Civil Guard has reported that the Peruvian Army officer who was gunned down this morning by two unidentified terrorists, died an hour after he was hospitalized at the military hospital. Military sources have identified the Army officer as Lieutenant Colonel Ruben Izquierdo Martinez who worked in the military intelligence service in the struggle against the Maoist Shining Path subversive group.

PRESIDENT MEETS WITH REGIONAL AMBASSADORS

FL101701 Mexico City NOTIMEX in Spanish 0450 GMT 7 Feb 86

[Text] Mexico City, 6 Feb (NOTIMEX) -- Mexico's political determination to strengthen its ties and friendship with the Central American peoples was reiterated during a meeting that President Miguel de la Madrid held with the Mexican ambassadors accredited in Central America.

The Mexican Foreign Secretariat reported that during the meeting, called by the chief of the executive branch to receive an update on Central America, this priority status given to Mexico's ties with each of these nations on the isthmus and the vital importance that the region represents for our country within the context of our foreign policy were expressed.

The chiefs of the diplomatic missions referred to the main aspects of the political and social situations of the countries in which they are accredited. They also spoke of the various interpretations given to the regional conflict.

They analyzed in-depth the main political, economic, scientific-technical, and cultural exchange aspects that shape Mexico's bilateral relations with each of the Central American countries.

While examining the Central American crisis, they spoke of their concern over the worsening of the tensions that threaten the stability and peace in the area, and they underscored the importance of the peacemaking process promoted by the Contadora Group in accordance with the Latin American suggestions included in the Caraballeda message and the Guatemala declaration.

President De la Madrid issued instructions to the Foreign Secretariat to revise and consolidate an overall cooperation plan for the Central American area in such a way that our cooperation with those peoples will be in accordance with the priority status Mexican foreign policy gives to Central America.

Also present at the meeting with President De la Madrid were the Mexican ambassadors to Colombia, Venezuela, Panama, and the United States. Foreign Secretary Bernardo Sepulveda Amor and other high-ranking Foreign Secretariat officials were also in attendance.

CONTADORA, SUPPORT GROUP MINISTERS TO MEET SHULTZ

FL101846 Mexico City NOTIMEX in Spanish 1430 GMT 10 Feb 86

[By Jose Carreno]

[Text] Washington, 10 Feb (NOTIMEX) -- It has been learned here that at today's meeting with U.S. Secretary of State George Shultz the Contadora Group and the Support Group will stress that their proposals for peace in Central America represent the position of the majority of the Latin American countries.

Sources linked to the Contadora Group's foreign ministers stated that the foreign ministers of the eight countries that form the two groups will stress this political fact and explain the points included in the Caraballeda message.

The Colombian, Mexican, Panamanian, Venezuelan (Contadora Group), Argentine, Brazilian, Peruvian, and Uruguayan (Support Group) foreign ministers will meet today, Monday, at noon with Shultz during a session that will include a lunch in their honor by the U.S. Secretary of State.

Prior to this meeting, the eight foreign ministers will meet for a working breakfast to exchange views at the Colombian Embassy in Washington.

The sources consulted by NOTIMEX have said that in view of the radical turns taken in the U.S. and Nicaraguan positions, the foreign ministers will mainly attempt to seek political solutions that will allow the governments of the two countries to find successful solutions. The sources recalled that the Caraballeda message contains nine points that go beyond national reconciliation, suggested by the U.S. Government, and an end to the support to the contras requested by the Nicaraguan regime.

However, the sources added that the explanation of the documents, including the letter containing the Nicaraguan proposal to begin a process of national reconciliation within the framework of Nicaraguan laws and the request that the U.S. Government stop supporting the contras, is of secondary importance at this moment.

The sources said that the foreign ministers wish to bring to the attention of the United States the fact that the countries of the region all agree that U.S. Government aid to the contras would be a hard blow to the Contadora Group's peacemaking efforts at a time when its revitalization is a fact.

Sources familiar with the Central American situation have recalled that the Caraballeda message includes provisions and obligations for all the countries involved in the conflict of the region. Among the provisions and obligations, the sources mentioned an end to the support for unconventional forces (such as the contras) that would especially affect the United States, Costa Rica, and Honduras, and an end to support for insurrectional movements that, as is the case of the FMLN, have installations in Nicaragua.

The document also includes provisions to freeze and gradually eliminate the purchase of weapons, as well as an end to the military maneuvers in the region and the withdrawal of all foreign advisers.

The sources added that the proposals included in the Caraballeda message [words indistinct] arrangements for the beginning [words indistinct] of the process of national reconciliation. However, this process would not be exclusively for Nicaragua but would also include El Salvador and even Guatemala.

A key to the advance in the negotiations is the so-called principle of simultaneity, which would involve the beginning of the implementation of the measures in a parallel way, even though its fulfillment would not necessarily be simultaneous, since some of these situations need a longer period of time to be resolved.

POLISH MINISTER COMMENTS ON BILATERAL PLANS

PA082221 Mexico City UNOMASUNO in Spanish 3 Feb 86 p 16

[Text] Polish Director General of the Ministry of Foreign Trade Jerzy Kapunscinski said yesterday that negotiations between his nation and Mexico to remodel and restructure the country's sugar mills "are on the right track," and added that this bilateral program will be implemented in less than 12 months.

The Polish official made this statement at the airport shortly before returning to Warsaw. He also expressed his concern over the surprising decline in oil prices. He expressed support for the joint Mexican-Venezuelan statement calling for oil-exporting countries to regulate the international market so that supply will not exceed demand, as is happening at present.

Kapuscinski said that during his visit to Mexico he met with Luis Bravo Aguilera, under secretary of foreign trade, with whom he discussed the possibility of making a joint investment to build freighters in Mexico and to construct a port to unload coal.

Kapuscinski stated that at the fifth Joint Mexican-Polish cooperation meeting to be held in Mexico in May, cooperation and investment programs will be defined.

The Polish official added that during this trip agreements were reached with the Conasupo [National Company for Basic Commodities] for Poland to sell Mexico oilseed in exchange for wheat.

COMMERCE SECRETARY URGES PRODUCTION EFFORTS

FL102252 Mexico City NOTIMEX in Spanish 0229 GMT 9 Feb 86

[Text] Mexicali, 8 Feb (NOTIMEX) -- Problems must not conceal the truth about the Mexican economy, because it is strong and has a great potential that requires all Mexicans' daily, tenacious, and permanent work, it has been asserted by commerce and Industrial Development Secretary Hector Hernandez Cervantes.

Hernandez Cervantes participated in a plenary meeting of the Baja California committee for economic development planning in the northwestern sector of the country, which was presided over by Governor Xicotencatl Leyva Mortera and included the participation of Finance and Public Credit Secretary Jesus Silva Herzog. He told all the producers comprising the organization that only by working hard will they be able to prove that Mexico's best years lie ahead.

Hernandez Cervantes asserted that the federal government will strive to solve all the problems in the state's various sectors in order to develop the region's economic activities, particularly those involving exports.

He said that the process of replacing import permits with reasonable taxes in the state would support the local economy, the handling of purchases abroad, and also strengthen their export possibilities.

Also attending the meeting were Enrique Creel de la Barra, director general of the National Public Work and Services Bank, Inc., and Victor Garcia Lizama, director general of the Customs Directorate.

GATT OFFICIAL URGES ECONOMIC DIVERSIFICATION

FL102307 Mexico City NOTIMEX in Spanish 1740 GMT 10 Feb 86

[Text] Mexico City, 10 Feb (NOTIMEX) -- The current price crisis being faced by oil exporting countries proves that countries that want to develop their economies will have to diversify the production of their goods for the world market.

This statement was made by GATT Deputy Director Madan Gopal Mathur to the newspaper EL FINANCIERO. He said that countries that export only one product can solve their problem by stepping up their transformation process and opening new horizons in the international market.

Referring to Mexico, he said that it has an important economy at the international level, and, following its admission to GATT, it will contribute to the struggle against protectionism and other obstacles which deter the world economy.

Gopal believes that, despite current problems and limitations, GATT is an agreement that represents a factor of harmony and development in the international economy.

He asserted that GATT is not an organization at the service of industrialized nations, nor does it try to favor a few of these; quite the contrary, 90 countries are participating in the agreement and their main efforts are aimed at establishing commercial exchange under free and more equitable terms.

CHANGES PLANNED DUE TO LACK OF FOREIGN EXCHANGE

FL102334 Mexico City NOTIMEX in Spanish 1652 GMT 10 Feb 86

[Text] Mexico City, 10 Feb (NOTIMEX) -- The economic cabinet is preparing a new program of adjustments because of the shortage of foreign exchange, which shortage will make it impossible to make the foreign debt interest payments programmed for this year or to import products for national industry, Mexico City's EL FINANCIERO said today.

The newspaper said that it has corroborated the fact that the government will expand the economic strategy with which the present presidential term began, correcting imbalances in the productive sector. It said that plans exist to further cut public expenditures, to maintain credit restrictions, to restructure the foreign debt by obtaining new loans, and possibly to propose a limit on interest payments. It also said that, according to private sector analysts, the economy is uncertain and speculation is gaining ground, as is demonstrated by the drop in the value of the peso to 510 per U.S. dollar.

Economists of the business coordinating council said one of the country's main problems is that of substantially decreased credibility, which will make new adjustments more difficult, EL FINANCIERO said.

ESQUIVEL 'IN CHARGE' DURING DELVALLE MIAMI VISIT

PA092004 Panama City Televisora Nacional in Spanish 0000 GMT 9 Feb 86

[Text] The Presidency's Press Secretariat today confirmed the trip by President Eric Arturo Delvalle to Miami. President Delvalle left yesterday on a private visit and will return to Panama after the carnivals. During this time, Vice President Roderick Esquivel will be in charge of the Presidency.

PART II OF NORIEGA LETTER TO U.S. GENERAL GALVIN

PA060328 Panama City LA PRENSA in Spanish 4 Feb 86 p 18

[From "In a Few Words" column: "Memorandum to the Boss," Part II -- quotation marks as published]

[Text] Final chapter of the radio soap opera:

"10. The meeting was held at the headquarters of the Defense Forces because it is a traditional place for meetings with political, business, labor, and Indian sectors, etc. It is a place open for receiving personal job requests (for example, Delvalle went to ask for a presidential post) and is accessible to all groups. Moreover, the three usual places for meetings with the president were: the Presidency, 50th Street, and the Defense Forces headquarters. Therefore, it was not at all unusual that this meeting should be held there. In addition, other delegations were already there." One learns something new every day. Here I was, naively believing that the headquarters was for command purposes, and now it turns out that it is a combined employment agency and political meetinghouse. Onward.

"11. General Manuel Antonio Noriega began the meeting with President Ardito Barletta by informing him of the results of meetings held in the preceding hours with the civilians mentioned in this report. He explained the scope of the problem and of the political parties' plans." That is not the way things happened. It is true that the meeting was opened by the one mentioned, but he did so by shrieking: 'You haven't stood behind me on the Hugo Spadafora crime.

"12. After this initial briefing and a respectful exchange of ideas, the leaders of the National Democratic Union [UNADE] were summoned at Dr Barletta's request and a lengthy meeting began." No; this guy has almost as great a sense of humor as Heydrich. But I am getting bored. Let us restrict ourselves to the essential parts.

"After lengthy hours of the type of discussion that he usually held with his civilian allies, President Barletta decided to resign. He announced this, and asked to be left alone with Dr Romulo Escobar Bethancourt, his personal adviser (Barletta's or Calvin's?) and with Dr Jorge Abadia, his foreign minister. (whose?) They remained alone for 6 consecutive hours. Afterward, he decided to draft his resignation in his own hand." "For the 12 hours that the consultations with Barletta lasted, he was never alone with members of the General Staff, let alone under pressure of any kind." After all, one cannot label as such the shove that he was given by Days Blacksmith when...but I shall tell you about that at the proper time. "On several occasions, the commander in chief left his office for hours at a time, to get some sleep." (hung over, or just ape?)

"17. At 1400 on Friday, 27 September, Dr Barletta had lunch with members of the General Staff and certain political allies of UNADE who were present."

Then, as the personage of "Never on Sunday" used to say, THEY ALL WENT TO THE BEACH. [capitalized passage published in italics] They ate crabmeat and ham:

"20. After signing his resignation, Dr Barletta shook hands with those present and the commander accompanied him to the stairway, where he freely took his vehicle and freely left for the Presidential Palace." (Dr Barletta, or the commander?)

"Dr Barletta was able to request coffee, water, lunch and the use of the toilet without any restriction whatsoever." "Was able to request," but nowhere does it say that the requests were granted. This should be explained in a post-communique.

"Gen Manuel Antonio Noriega, after the beginning of the talks with Dr Barletta, spoke with:

"A. Mr Winter of the U.S. Embassy, for him to inform Ambassador Briggs of events.

"B. General John F. Galvin (who, I gather, heartily approved of the precautionary, postdecapitating acts of his colleague. Thus, the memorandum was not for Galvin, but for the benefit of Galvin's bosses. One problem remains: Who leaked the document, Galvin or his bosses?)

"C. Mr Nestor Sanchez (no kin) of Washington."

"Gen Manuel Antonio Noriega had an appointment with Prime Minister Felipe Gonzalez of Spain and had to cancel it for an emergency flight to Panama."

"Gen Manuel Antonio Noriega landed normally (speaking aeronautically, or mentally?) at the military terminal at the Omar Torrijos Herrera Airport, and not in Chiriqui or at Albrook Field (sic) as some sources have said." What sources? That report was never circulated publicly. It is very significant that the commander should deny it.

We will analyze the entire document on another day, and I will give you the true version. For example, I will tell you something that very few people know. When the coup failed, Diaz Herrera called Galvin on the phone and said: "Noriega can return, and the status quo has been preserved."

BRIEFS

COCAINE SEIZED, SUSPECTS ARRESTED -- Defense Forces and National Department of Investigation [DENI] narcotics units discovered 4 kg of cocaine during a raid yesterday in a house in Pueblo Nuevo, Cativa municipality, leading to the arrest of several drug traffickers. The 4 kg of pure cocaine was found buried more than a meter deep in a yard at the home of Gioconda Angelica Dunn de Torrecilla, a 19-year-old Panamanian, inside a small "barrel of pig's tails." It is worth $100,000 on the Colon market. The joint operation between the Defense Forces and DENI units allowed for the arrest of two others involved, a 44-year-Old Colombian, Norberto Gil Guzman, and 20-year-old Marcos Alexander Dun, De Torrecilla's brother. [Excerpt] [Panama City LA REPUBLICA in Spanish 30 Jan 86 pp 1, 6 PA]

COSTA RICA

MONGE SAYS NICARAGUAN TIES HINGE ON APOLOGY

PA110348 San Jose Radio Reloj in Spanish 0110 GMT 11 Feb 86

[Text] The apology the Nicaraguan Government would present to the Costa Rican Government for the Las Crucitas incident is being discussed at a private level, Costa Rican President Luis Alberto Monge [words indistinct] are being discussed in search of a possible apology [words indistinct] has not been received. Normalization of the frozen diplomatic relations with Nicaragua, which have been maintained since the Las Crucitas incident, where two civil guardsmen were killed and 10 others were wounded because of an armed attack from Nicaraguan territory, will not occur until an apology is officially presented by the Managua regime.

Monge said this morning that in general terms the text of the draft presented is acceptable to the Costa Rican Government, although there is a phrase that lessens [diluye] its responsibility for the killing of the civil guardsmen. In that regard, the president said he wants it made very clear to the people that the Nicaraguan Government is offering its apology because it accepts responsibility for this unfortunate incident at Las Crucitas.

President Monge Alvarez wants to turn over the the government without any tensions with neighbors. President Monge said: I have the responsibility not to pass on to Dr Oscar Arias Sanchez a point of tension or frozen diplomatic relations with a neighbor. The president said that inevitably Nicaragua is our neighbor, but in coming weeks he will do everything possible for normal relations to be reached. Referring to Nicaragua and Costa Rica, the president added: We know that with insurmountable philosophical differences [words indistinct] we cannot aspire to more than normal relations.

Costa Rica insists on the appointment of an observer commission. One of the observations made by the Costa Rican Government for the draft apology that would be presented by Nicaragua for the Las Crucitas incident is for a permanent commission of OAS or Contadora Group observers to be appointed to supervise the border with Nicaragua. In this manner, said Monge, we seek to end a campaign of disinformation that has been maintained for several years, a campaign stating that rebel groups act openly in Costa Rican territory to attack the Nicaraguan side and then return to Costa Rica. The commission would supervise the border territory to guarantee the neutrality of our country in Nicaragua's internal conflict, President Monge Alvarez added.

EL SALVADOR

FOREIGNERS ALLEGEDLY FIGHTING FOR FMLN GUERRILLAS

PA110022 Panama City ACAN in Spanish 2104 GMT 10 Feb 86

[By Pablo Antonio Ayala]

[Excerpt] San Salvador, 10 Feb (ACAN-EFE) — The Salvadoran Army announced today that during urban counterinsurgency operations it has found documents that prove the presence of mercenaries in the guerrilla ranks.

A Defense Minstry spokesman explained to ACAN-EFE today that the documents, which reveal the participation of foreign citizens in the insurgents' ranks, were seized during the capture of a rebel cell operating in the capital.

The Defense Ministry spokesman added that the captured cell was comprised of eight members of the clandestine Revolutionary Party of Central American Workers (PRTC), which is affiliated with the FMLN.

The Army source said that according to the leftist documents, mercenaries Lucia Ascuncion Iriarte and Jesus Alfonso Dominguez, of Spain, and French citizens Celina N. and Madeleine Faire are operating on Guazapa hill.

The Army spokesman added that other foreigners who have joined the insurgent struggle are the Belgian Marc H. Ingel Brecht, alias "Johnathan," and the Moroccan, Boukhoubza Lissan, alias "Fernando".

The Army source said it was possible to determine the identities of the six mercenaries through passports seized in late January in a house occupied by the PRTC cell in the southeast sector of San Salvador.

GUATEMALA

115 POLICEMEN AWAIT TRIAL; PRISON TENSION DEFUSED

PA101818 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 7 Feb 86

[Text] Over 500 national police agents remain jailed at that institution's second police corps headquarters waiting for the government to rule on their respective cases.

[Begin recording] [Unidentified reporter] Out of the 500 agents under arrest, 115 are to be arraigned in court for crimes and offenses attributed to them, although it is known that there is not in every case sufficient evidence of their involvement in criminal activities. It was learned that feelings among many jailed agents are tense, as they are unhappy because no decision has been made concerning their cases. Some were promoting a massive protest inside the jail, although this never took place.

In order to ease tensions, authorities of the second police corps provided some entertainment, and a marimba band played songs. Shortly, the mood of many of the detainees changed, and some began dancing with female employees of the administrative sector of the DIT [Technical Investigations Department]. These women are also under arrest. However, they are allowed to go home each night, but have orders to return the next day. Apparently, today the DIT female employees persuaded the agents to halt their plans to stage a demonstration inside the second police headquarters, asking them to wait for resolution of their cases. National Police Director Jose Felix Alvarez Arevalo said today that the task of purging the DIT agents continues.

[Alvarez] I know for a fact that the DIT no longer exists; however, we must wait for the order to appear in the official newspaper. Regarding the agents, I can tell you that they have been discharged. Presently, there are no problems; they are staying in the auditorium of the second police corps headquarters. As the government minister said, those who will join the police corps will be chosen, and those with bad reputations will be discharged. [end recording]

HONDURAS

NICARAGUAN EMBASSY COMMUNIQUE ON HONDURAN TIES

PA080036 San Pedro Sula TIEMPO in Spanish 7 Feb 86 p 3

[Communique issued 7 February by the Nicaraguan Embassy in Tegucigalpa for the "knowledge of the Honduran public"]

[Text] On the initiative of the new government headed by the president of Honduras, engineer Jose Azcona Hoyo, the Government of Nicaragua takes this opportunity to address all Honduran sectors interested in peace and understanding to reaffirm the willingness for dialogue of the people and Government of Nicaragua. To solve the serious crisis affecting the peoples of the area, it is necessary to count on the firm will for peace of our nations that may lead us to establish a climate of mutual respect and detente which, in turn, may contribute to achieving the stability that all Central American people have a right to enjoy.

The Government of Nicaragua, aware of the situations responsible for the tense relations between both nations and always within the spirit of creating the proper conditions for bilateral understanding, wishes to emphasize the full effect of the amnesty law, which establishes that all Nicaraguans involved in counterrevolutionary activities, including armed action, may avail themselves of the benefits of this law, effective until 19 July 1986, to return to a peaceful life in Nicaragua with all of the full guarantees, and to participate as citizens in productive, civic activities without restriction.

The Nicaraguan Embassy in Honduras wants to reiterate the best wishes of the people and Government of Nicaragua for the administration of President Azcona Hoyo to benefit the Honduran people, and to strengthen the relations of friendship and cooperation that should exist between our peoples within the framework of mutual respect, permanent dialogue, and a common vocation in defense of the peace and legitimate interests of our nations.

Tegucigalpa, D.C., 7 February 1986

NICARAGUA

SANDINIST HELICOPTER REPORTEDLY DOWNED BY CONTRAS

ARDE Claims Downing

PA101933 Madrid EFE in Spanish 1840 GMT 10 Feb 86

[Text] Washington, 10 Feb (EFE) -- According to the Democratic Revolutionary Alliance (ARDE), two Sandinist pilots and six officers, including a subcommander, were killed Sunday afternoon when the Soviet-made helicopter they were riding was downed.

In a communique issued in Washington, ARDE said the downing was accomplished by different kinds of machineguns and rifles in the Rama River area, in the country's southeast, where the troops of Commander Eden Pastora are fighting.

The helicopter, a Soviet-made "Mi-8-HIP" was shot at by troops led by a commander nicknamed "Ganso." Included among the victims was a subcommander surnamed Ramirez of the Sandinist People's Army (EPS), the brief communique reported without adding further details on the military operation.

Defense Ministry Denies Downing

PA110345 Madrid EFE in Spanish 0316 GMT 11 Feb 86

[Text] Managua, 10 Feb (EFE) -- The Nicaraguan Defense Ministry today refuted a report by the Democratic Revolutionary Alliance (ARDE) on the downing of a Sandinist Army Helicopter in southeastern Nicaragua. ARDE issued a communique in Washington reporting that it had downed a Soviet-made "Mi-8-HIP" helicopter yesterday in the Atlantic area of Rio Rama. ARDE claimed the helicopter was downed by machine gun and rifle fire. A Defense Ministry spokesman told EFE tonight that "the report is completely false." ARDE had reported that two pilots and six Sandinist military men, including a subcommander by the name of Ramirez, died in the alleged downing of the helicopter. The military source stressed: "No helicopter has been downed."

ORTEGA INTERVIEWED ON ALLIES, U.S. AID TO CONTRAS

PA101935 Guatemala City PRENSA LIBRE in Spanish 26 Jan 86 pp 4, 5

[Interview with President Daniel Ortega in Guatemala City by correspondent Danilo de Leon on 13 January]

[Excerpts] [De Leon] Is your government a Russian satellite in Central America?

[Ortega] This type of statement is aimed at justifying a certain aggressive policy against Nicaragua. Some people have always wanted to believe that in Latin America, and especially in Central America, the people do not have the ability to think for themselves and act by themselves, and for this reason when Latin Americans take steps in favor of their self-determination and independence, those people believe that these steps are the result of the influence of some power.

In the particular case of Nicaragua and Central America, efforts have been made for a long time to justify U.S. policy in the area. They U.S. has tried to justify its actions, even since the last century, when it intervened in Nicaragua. At that time there was no Soviet Union and no Cuban revolution, but they tried to justify their interventionist ways by blaming us for some political and social situations affecting Latin America.

[De Leon] Are you promoting a Sandinist expansion in Central America?

[Ortega] The Sandinist revolution has been good and is good for the Nicaraguans, but I do not think it would have the same results in other places because each country has its own particular problems. We are not working to create revolutions in other countries because we respect the right to self-determination. However, if our example crosses the border there is nothing we can do about that. Remember that the examples of all the revolutions have gone beyond their territory. But an example is one thing and a policy of expansionism is another. Each Central American country has its own ills and each one will find its own cure.

[De Leon] What do you think about the contras?

[Ortega] They are clearly the result of U.S. Government intervention against the Nicaraguan people. The contras are being financed by the U.S. Government and no one seems to be bothered by this situation, which violates international law and the people's sovereignty and right to self-determination.

The contras are a tool of U.S. policy, but just as they now wield their rifles to murder the Nicaraguan people with weapons from the United States and receive salaries from that country, they could also be wielding a plow, receiving a salary, and working, if the United States were to invest its resources in truly humanitarian endeavors. This is what I think about the contras.

The worst part is that most of the contras are Nicaraguans who are being used, who have been fooled, and while they spill their blood in the war, their chiefs live quietly in Miami.

[De Leon] Do you think the United States will invade Nicaragua?

[Ortega] I think the United States wants to destroy the Nicaraguan revolution and that it has not discarded the possibility of a direct military intervention. The danger is latent. They are always alert, trying to determine if a possibility exists.

However, the attitude of the Nicaraguan people, who are decided upon defending their sovereignty and their self-determination, has stopped the intervention because of the costs it would imply for the United States. The attitude of the Latin American countries and the rest of the world has also contributed because they are completely against any interventionist action.

[De Leon] What do you think about Contadora?

[Ortega] We have backed Contadora from the moment it appeared. We will continue backing it because we are sure that the peace effort it is promoting, now that it has been strengthened by the Support Group, is fulfilling the objective that all the countries of the area are seeking: peaceful coexistence among countries that have a similar history and are located in the same Latin American region.

We also firmly support the proposal of Guatemalan President Vinicio Cerezo for the creation of a Central American Parliament.

[De Leon] Would you like to meet somewhere with the president of the United States to discuss the problems of Nicaragua and Central America.

[Ortega] We have always been willing. On the celebration of the 40th anniversary of the United Nations we exchanged greetings with President Reagan. However, I am prepared to exchange not only simple greetings but also to normalize relations between the United States and Nicaragua, as long as there is mutual respect and the decision to respect national sovereignty and the people's right of self-determination. Under these conditions I am prepared to talk anywhere in the world.

[De Leon] Do you think that the rightist political parties are out of the game in Central America?

[Ortega] I believe that whoever is opposed to change, to social transformations, -- those who assume outdated positions, -- already belong to the museum of Central American history. They are there. We can see them, but they have no historic possibilities.

[De Leon] How would you define yourself, politically speaking?

[Ortega] I am a Sandinist with universal thoughts.

RIVERA, N. AMERICAN INDIANS' ACTIVITIES REPORTED

Americans Urged To Surrender

PA071610 Managua Domestic Service in Spanish 1534 GMT 7 Feb 86

[Interior Ministry announcement dated 7 February -- read by announcer]

[Text] The Interior Ministry informs the people that through different sources, state security organizations have been informed that American (Richard Lane), Hank Adams, Bob Martin, and Canadian Clem Chartier, illegally entered Nicaragua to join counterrevolutionary groups on the northern shore of the Atlantic coast.

In addition to reports from different sources, Moravian pastors, and the Red Cross, we add this public communication: We inform these foreign citizens that they can surrender to the nearest authority with the assurance -- as is customary in Nicaragua -- that their physical integrity will be respected, and in deference to their countries of origin, they will then be immediately returned to their respective homes.

Given in the city of Managua on 7 February 1986.

[Signed] Directorate of Public and International Relations at the Interior Ministry

Rivera Tool of U.S. Policy

PA071906 Bluefields Radio Zinica in Spanish 1830 GMT 7 Feb 86

["The Way We Think" commentary: "Brooklyn Rivera: A Maneuver Against Autonomy"]

[Text] The report that the counterrevolutionary leader Brooklyn Rivera has been illegally entering Nicaraguan territory, accompanied by his U.S. advisers, all of them directly or indirectly linked to the U.S. CIA, does not really cause any surprise if we take into account his attitude regarding the dialogue opened by the revolutionary government to resolve the Atlantic coast's problems.

From the time the problems of the Atlantic coast surfaced, attempts were made to resolve them at the beginning of the revolution without any real knowledge of the ethnic, cultural, and economic idiosyncracies of the different Indian communities.

The revolutionary government and the FSLN set out to find a solution to the problem by way of autonomy. Much has already been accomplished, although much more is still left to be done. Consultations made in the area have donstrated that the residents of the coastal area are willing to join in with the revolution as a unit, but always within the realities of the coastal area.

Last year the revolutionary government began talks with Brooklyn Rivera, believing that among his followers there were some who had been deceived with barefaced lies. As proof of the government's decision, talks began with Rivera in Colombia. Nevertheless, the revolutionary ringleader's stands soon came to the fore, as he began demanding more than what could be given.

As part of the revolutionary government's move, Rivera came to our country on several occasions and enjoyed full guarantees, although he was one of the leaders of the armed groups that were and are active in the country. The freedom of movement granted him allowed him to visit several towns on the Atlantic coast, all within the framework of a revolutionary effort to avoid bloodshed and work toward national unity.

On those occasions Rivera was in Nicaragua legally, and although in December last he unilaterally interrupted the talks being held in Bogota, our government did not give any signs of having run out of patience. Instead, it showed willingness to continue the dialogue.

When Brooklyn came to Nicaragua, the plan for autonomy had already been launched by the revolutionary government. This plan sought to convince to lay down their arms those who, believing they had reason to do so, took up arms to fight against the revolution and therefore became counterrevolutionaries or CIA agents.

This is what is behind the activities of Rivera, who on his most recent visit to Nicaragua was accompanied by U.S. Indian advisers suspiciously linked to the CIA.

To Brooklyn it must have been a shock to encounter on national territory new leaders of the Miskitos, Sumus, and Ramas who had taken up arms but who, after participating in the dialogue and hearing what the autonomy process is all about, decided to halt their policy of terrorism against the Atlantic coast people and to join the search for a solution to the area problems.

The attitude of these Indians created doubts about Rivera's leadership among the Indian families. In addition to this there was the pressure exerted by imperialism, something that eventually turned Rivera away from his initial position to make him become a tool for another imperialist maneuver to boycott and obstruct the steps toward autonomy in the Atlantic coast.

This is the true situation. This is the mission that imperialism and the imperialist advisers have assigned to Brooklyn Rivera, thus completely pushing him away from the road to solutions and into a dead-end street that will result in him carrying out the type of actions carried out by the FDN mercenaries who are spilling the blood of the Nicaraguan people, and who are worn-out because of the defeats they daily endure.

Brooklyn Rivera's advisers, who are experts in confusing things and who display university titles, know very well that the autonomy project does represent a solution to the problems of the Atlantic coast and that compliance with this plan would not only solve current problems, but would also solve the historic demands of the ethnic groups that live in the coast area.

The obstruction of a peaceful development of autonomy in the Atlantic coast means the promotion of hatred and distrust. Other leaders have adopted more realistic positions. Hatred and distrust can serve only the aggressive U.S. policy against our country.

Brooklyn Rivera, by becoming a spokesman for his U.S. advisers, is openly becoming a tool against autonomy. This means that Brooklyn Rivera is against the interests of the Miskitos, the Ramas, the creoles, and the mestizos who live on the Atlantic coast.

LA PRENSA COULD SOON GO BANKRUPT, CLOSE

PA101532 San Jose RUMBO CENTROAMERICANO in Spanish 31 Jan-6 Feb 86 p 22

[Text] LA PRENSA, the Nicaraguan opposition newspaper, which thanks to international public opinion has seen, until now, a certain degree of liberty under the Sandinist regime, could soon declare itself in bankruptcy and, therefore, disappear.

A 100-percent salary increase declared by the government on 1 January 1985 and the government's absolute refusal to allow an increase in industrial product prices have created a situation that could have the same bankruptcy repercussions on other private enterprises.

In the case of LA PRENSA, -- which for a long time has not received one single dollar from the state for buying material, -- its first idea for facing the salary-increase measure was to increase the advertising fees and double the price of the newspaper, from 10 cordobas to 20 cordobas.

For the enterprise, the official measures have meant a production-cost increase of 90 percent, according to a financial analysis presented to the Industries Ministry. The investigation also reveals that if the authorities do not allow the newspaper to increase its prices, LA PRENSA will be in a state of bankruptcy by the beginning of March 1986, when it should be celebrating the 60th anniversary of its founding. Industries Ministry officials have told the directors of the newspaper that they have instructions to not allow increases in industrial product prices since the purpose of salary increases is to strengthen the workers' purchasing power in the face of inflation estimates at 76 percent in 1985.

Censorship is also playing now, as in the past, its role. The Interior Ministry, which is in charge of this type of control, has banned the publication in LA PRENSA of two notes explaining the situation. This way, according to the newspaper, the regime can argue that LA PRENSA disappeared because the people did not support it and not because the government wanted it to disappear.

The Arrest of Journalists

Not only has the enterprise been facing problems. Journalists Alejandro Cardonero, 45, and Enrique Garcia, 52, have now come to join other employees of LA PRENSA who have been harassed by State Security. Prior to this, Luis Mora, editor, and Jorge Ortega, photographer, as well as editors Roger Alonso and Norman Talavera has been arrested.

Between 20 and 26 January, Garcia and Cardonero were put in prison for the publication of a newsletter called PRISMA which, according to the police, "attacked the country's institutions and constituted authorities." The newsletter dealt with agricultural and industrial activities, and was published by the journalists to obtain a little extra money. Garcia and Cardonero began publishing PRISMA before 15 October, when the state of emergency was extended. For this reason, they did not think it was necessary to register it and subject it to press censorship by the state, which under the state of emergency is obligatory.

This is not a serious crime, but the relatives of the newsmen were allowed to see the arrested men only from a distance. They were in the State Security's "House 50." Ten days after their arrest, no one knows if they are still there or if they have been transferred to the EL Chipote prison, on top of Tiscapa Hill.

Meanwhile, at LA PRENSA, Jaime Chamorro -- the manager of the newspaper -- has reported in writing to all the employees that it will be difficult to help their colleagues in prison because all civil rights are suspended under the state of emergency.

NEWSPAPER CUTBACKS, MEDIA SITUATION REPORTED

PA092027 Hamburg DPA in Spanish 1717 GMT 9 Feb 86

[Text] Managua, 9 Feb (DPA) -- Today Nicaragua was left with restricted circulation of its three newspapers because of a shortage of paper and other printing materials, which in economic terms has been the cause of the most acute crisis for Nicaraguan newspapers in the past 6 years.

A presidential directive established that the newspapers will be allowed a total of 36 pages weekly. This many pages were printed daily by the opposition newspaper LA PRENSA during the Somoza dictatorship.

BARRICADA, the Sandinist government's official voice, and EL NUEVO DIARIO, edited by journalists that form a cooperative, as well as LA PRENSA, are seriously affected by the back of foreign exchange to purchase materials.

In the past few months, the three newspapers have received donations of material from foreign organizations, but the donations have not filled their needs. The government had earlier reduced weekly printing to 60 pages and cut weekly funds, which was the beginning of the newspaper crisis.

The three newspapers publish approximately 220,000 copies daily. According to its editors, BARRICADA publishes the largest number, while LA PRENSA sells more than 60,000 newspapers within a short time. EL NUEVO DIARIO, started in 1980 after a personnel break up at LA PRENSA, publishes the least with approximately 50,000 copies daily, according to official reports.

According to the country's laws, the three newspapers are subject to censorship due to the press controls that have been implemented since March 1982, when the Sandinist government reported U.S. military plans to invade Nicaragua.

The editors of LA PRENSA have demanded that the Sandinist government allow them broad freedom of expression, which the media directorate has eliminated. Government sectors describe LA PRENSA as the "voice" of the anti-Sandinist sectors that want to topple the regime, and this has generated an ideological confrontation that has noticeably hurt relations between its editors and the government in the past few years.

The reduction in the volume of paper and material for the newspapers has seemed to gradually affect the workers. The media does not replace people who for any reason stop working, and it seems as if the new crisis could worsen.

Meanwhile, three radio stations, two state and one private -- La Voz de Nicaragua and Radio Sandino (state) and Radio Noticias -- are the only stations authorized to broadcast news programs.

On Radio Noticias, 5 hours of news programming are broadcast in five segments within the legal framework allowed by the state of emergency, which prohibits any publication of statements by the counterrevolutionaries financed by the United States, who intend to topple the Sandinist government.

Radio Corporacion, the most influencial radio station in Nicaragua between 1974 and 1982 because of its news programs, is inactive due to the restrictions. All of its programs were unauthorized with imposition of the state of emergency, and the government confiscated 33 percent of the shares of one of its owners, who left the country for political reasons.

Radio Catolica was closed indefinitely 40 days ago due to sanctions imposed by the media directorate for violating the state of of emergency, according to an executive resolution.

Television is under state control, suffering the effects of the U.S. commercial embargo that has limited its programming to "old" programs, or programs from Europe and Latin America. Television reflects the high rate of internal political disagreement because the opposition sectors have been left out, as the government considers them the U.S. Government's "sounding board."

BORGE ATTACKS OBANDO Y BRAVO'S U.S. VISIT

PA061719 Managua EL NUEVO DIARIO in Spanish 5 Feb 86 pp 1, 8

[Interview with Commander Tomas Borge, Nicaraguan Interior Minister, by Silvio Mora; date, place not given]

[Text] Interior Minister Tomas Borge told journalist Silvio Mora that Cardinal Obando y Bravo's trip to the United States was orchestrated by the Reagan administration to strengthen the campaign for financing the Somozist mercenary forces.

The interview follows:

Question: Commander, what is your opinion of the recent statements by Cardinal Obando y Bravo in the United States?

Answer: We should feel proud that the Vatican named a cardinal for Nicaragua. Unfortunately, this pride of having a cardinal has been diminished by Miguel Obando y Bravo's attitude as a political leader who is identified with U.S. President Ronald Reagan's ideological and political principles.

In other words, Reagan has decided to destroy the Nicaraguan revolution, and for this he has developed a very complex, ambitious, and skillful plan. In this regard, he cited counterrevolutionary leaders Calero, Arturo Cruz, and others, as well as Eden Pastora. Then, there is a plan that even includes Brooklyn Rivera's clandestine entry into Nicaragua, and within this plan is Monsignor Miguel Obando y Bravo. In other words, Obando y Bravo's presence and his statement in the United States are part of the propaganda plan to persuade the U.S. Congress to aid the contras; there can be no doubt of this.

Therefore, Obando y Bravo's statements, his contacts at the OAS, at the United Nations, and with Yankee congressmen and the media will undoubtedly contribute to the U.S. congressmen and the media will undoubtedly contribute to the U.S. Congress' decision to allot $100 million in aid to the contras so they can murder Nicaraguans.

This is the sad and unfortunate role that Msgr Obando y Bravo has played for Nicaragua. Instead of being a source of pride, which would be wonderful, his designation as cardinal by the Vatican has been a source of deep concern for the Nicaraguan revolution because of his total agreement with the U.S. Administration's policies.

Question: Commander, does Cardinal Obando y Bravo's attitude neutralize relations between the revolutionary state and the Nicaraguan Catholic Church?

Answer: We obviously will continue making efforts to have normal relations with the ecclesiastical hierarchy. In fact, we have made progress in our relations with several bishops in Nicaragua. Keep in mind that within the Catholic Church's worldwide ecclesiastic organization each bishop owns his own diocese and answers to the Pope.

He Is Not the Boss

[Answer continues] The false image that has been created to make Msgr Obando y Bravo appear as the chief of the Nicaraguan Catholic Church is part of a deliberate LA PRENSA plan, but the truth is not so. Miguel Obando y Bravo is the bishop of a diocese in Nicaragua, as Monsignor Vega is the bishop of another diocese, and Monsignor Barni of yet another. It is the same with Sancti and the other Nicaraguan bishops who respond to the Vatican and not to Msgr Obando y Bravo.

Msgr Obando y Bravo is the bishop of a diocese, and we have good general relations with various bishops in Nicaragua, except with the bishop of Managua. Therefore, we cannot say that Obando y Bravo's statements have undermined Nicaraguan state relations with the total church, but only with the bishop of Managua.

Nevertheless, as he is a cardinal, an undoubtedly influential bishop, and president of the Episcopal Conference, we must make efforts to establish a proper, fair, and realistic relationship with the bishop of Managua as we have done with other bishops in the country. His statements make these relations difficult, but to a great extent these relations depend on political will, which we have, to establish normal relations with all sectors of the Nicaraguan Catholic Church in the future.

Question: Does this mean that Cardinal Obando y Bravo can enter Nicaragua after his statements in the United States?

He Can Enter

Answer: Yes. I do not believe it would be correct to prevent Obando y Bravo from returning to Nicaragua. He is a Nicaraguan and a man who expresses a political agenda, just as other Nicaraguans who have given up their patriotic obligations. Just as Obando y Bravo, there are others who identify with Reagan's policies and who have returned to Nicaragua without any problem.

Question: Commander, what will happen to Radio Catolica in the future?

Answer: No definite answers can be given, but Radio Catolica can never again be what it has been. It has been an instrument of defiance against revolutionary law, which is totally inadmissible. If, in any case, Radio Catolica ever reappears it will be within a new context that has not yet been discussed.

OPPOSITION PARTIES SEND PEACE PROPOSAL TO FSLN

PA101625 Madrid EFE in Spanish 1914 GMT 8 Feb 86

[Text] Madrid, 8 Feb (EFE) -- Mario Rappaccioli, president of the Nicaraguan Conservative Party, has published a six-point document which he says was presented to the Nicaraguan Government today to solve Nicaragua's crisis.

The full text of the document, titled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country," is presented here just as Rappaccioli presented it at the Seventh Congress of the Popular Alliance, the Spanish Conservative Party, which is currently underway in Madrid:

The political parties that have signed this document, inspired by the best and most constructive patriotic spirit to achieve Nicaragua's pacification and ensure its future development based upon the Nicaraguans' authentic wishes, declare their firm and public decision to make every effort to achieve these objectives.

Also supported are the Contadora Group's efforts recently reiterated in the Caraballeda message issued on 17 January 1986, especially Section II, Clause B.

For this purpose the government is urged to join the people in attaining the following goals within the shortest time possible:

1. An agreement to immediately suspend hostilities between the government forces and the irregular forces opposed to them as a preliminary step toward a definite peace agreement and the country's demilitarization.

2. Approval of an effective general amnesty law for political crimes and related common crimes that will result in an effective reconciliation of the Nicaraguan family.

3. Abolition of the state of emergency, and full reestablishment and implementation of the Nicaraguans' rights and guarantees.

4. Signing of an agreement between the country's political parties for the preparation and fulfillment of a new electoral process that will lead to general elections in which all of the political parties or groups that desire to participate may do so, once they have obtained political and legal recognition.

5. Effective fulfillment of international commitments in favor of Nicaragua's democratization.

6. The invitation to existing continental organizations and ad hoc groups that have demonstrated an interest in peace and justice in the Central American area, as well as to international political organizations, so they can express their concurrence with implementation of the points demanded.

Signed:

Independent Liberal Party: Virgilio Godoy, president

Social Christian Party: Francisco Taboada

Social Democratic Party: Luis Rivas Leiva, secretary general

Constitutionalist Liberal Party: Rodolfo Mejia Ubilla, adjunct secretary general.

Democratic Conservative Party of Nicaragua (nonruling party): Enrique Sotelo B., national political secretary

Nicaraguan Conservative Party: Mario Rappaccioli, national president.

Nunez Claims U.S. Destabilization

PA061553 Managua Radio Sandino in Spanish 1200 GMT 5 Feb 86

[Text] Last night Commander of the Revolution Carlos Nunez, president of the National Assembly, reported new Yankee destabilization maneuvers to suspend the drafting of the democratic constitution. Such maneuvers were transmitted by the State Department to officials of COSEP [Higher Council of Private Enterprise] and the Nicaraguan Democratic Coordinating Board [CDN] castaway conservatives, and failed oracles such as Mario Rappaccioli, Silviano Matamoros, and Emilio Alvarez Montalvan, who are letting themselves be used to promote a U.S. military intervention against Nicaragua.

Commander Nunez said these gentlemen stated they had the approval of the U.S. National Security Council to promote a plan whose main objective is to get the largest number of Nicaraguan political parties -- with or without legal status -- to sign a document whose essence reflects Reagan's policy to turn back the revolutionary process.

National Assembly President Carlos Nunez Tellez urged the country's revolutionary parties to join forces to neutralize and reject the new maneuvers by the Reagan Administration to hinder the constitutional work in the country. The FSLN National Directorate member also urged the political parties represented in the National Assembly to continue working on drafting the country's constitution, to join forces to create a solid front against the U.S. intervention, and to show Reagan that we are not willing to give up our revolutionary principles or to lend ourselves to Yankee maneuvers.

Carlos Nunez charged that members of COSEP, the CDN, and individuals who want a U.S. intervention to defeat the revolutionary process received instructions from the White House to promote destabilization actions in the process of drafting the country's constitution.

[Begin Nunez recording] At the (?end of the year), some officials and members of the CDN visited the United States and held meetings with the State Department to receive specific instructions on promoting destabilization policies in Nicaragua, essentially in obstructing our country's democratic work. Linked to overall U.S. policy and strategy in all fields, these actions seek specific objectives inside Nicaragua. [Words indistinct] a COSEP meeting attended by Silviano Matamoros, Mario Rappaccioli, and Emilio Alvarez Montalvan, who said (?they) have the approval of the U.S. National Security Council to promote a plan whose main objective is to obtain the support of the largest number of political parties, whether or not they are members of the National Assembly. [end recording]

Commander Nunez said these maneuvers are aimed at continuing to propose reconciliation with the mercenary bands and at advocating a document that calls for dissolution of the National Assembly and suspension of the drafting of the constitution.

[Begin Nunez recording] These three individuals were (?told to promote) a document that will be signed by the largest possible number of parties [words indistinct] reflects the U.S. Administration's positions and conditions. The document calls for the continuation of proposals for reconciliation with the former Somozist guardsmen on the basis of a dialogue, despite the fact that they continue to murder our people and that it is well known that the U.S. Administation (?is supporting them). Second, the document seeks to disregard the revolutionary legality established in Nicaragua and, above all, to promote dissolution of the National Assembly and suspension of the constitutional work while dialogue is held with the contras. [end recording]

PASTORA: FMLN FORCES HELPING SANDINISTS

PA092059 Panama City ACAN in Spanish 1923 GMT 9 Feb 86

[By Mario Montes]

[Text] San Jose, 9 Feb (ACAN-EFE) -- Anti-Sandinist Commander Eden Pastora charged today that his forces are being attacked by Salvadoran guerrilla troops inside Nicaragua. Pastora is the top leader of the Democratic Revolutionary Alliance (ARDE), which mainly operates in southern Nicaragua.

Through a clandestine press communique, Pastora stated that his columns are resisting "a fierce offensive" from the Sandinist People's Army (EPS) that began on 6 January. "It was confirmed," the communique added, "that the offensive forces include an FMLN battalion" which consists of "special forces of the communist guerrillas of El Salvador."

The attacks reported by the guerrilla leader are occurring in central, southern, and eastern Nicaragua where ARDE was forced to abandon some of its positions in view of the large number of troops and resources the government has. Being more specific about his charge, Pastora notes that the Salvadorans attacked rebel positions in El Almendro, central Nicaragua. According to the ARDE report, the attacks by the Salvadoran reinforcement forces "have caused terror among the civilian population because of their foreign nature."

Commander Zero charged that the members of the FMLN battalion "do not respect the lives of women or children." In addition, they "burn houses and ranches belonging to peasants they suspect of not agreeing with the totalitarian Managua regime." The same communique stated that Salvadoran guerrillas are present on the side of the Sandinists "because the rural guerrilla warfare in El Salvador is almost at a standstill right now." According to Pastora, the Salvadoran guerrillas fight on the side of the Sandinists in response to a call recently made to the FMLN to transfer forces to Nicaragua. This shows that the Managua government does not want to fulfill its commitment to suspend aid to the Salvadoran insurgents.

This is the third time Pastora has reported foreign participation in the Nicaraguan war. In the past, he has reported that Cuban officers were directing the forces of the Managua government, and that there were 10,000 Libyan, Soviet, Palestinian, Cuban, and East German advisers in Nicaragua.

MININT DECREE ON PARTY MEETINGS REVISED

PA071056 Managua Radio Noticias in Spanish 1200 GMT 6 Feb 86

[Text] The Interior Ministry's Public Relations Office has rectified a communique issued a few days ago by Sandinist Police Director Commander Doris Tijerino according to which the political parties had to request permission to hold indoor political activities. A new communique says it is not necessary to request permission to hold indoor meetings. The text of the Interior Ministry's new communique follows:

The Nicaraguan Interior Ministry [Minint], in clarifying one of its communiques released last week, which was neither explicit nor reflected the guidelines given by Interior Minister Commander of the Revolution Tomas Borge, reports the following to our people:

1. All political parties can meet indoors without prior authorization anywhere in Nicaragua to discuss the draft constitution.

2. In the event there is a desire to hold the assemblies to discuss the above-mentioned draft, either out in the street or at a public plaza, it will be possible to do so by requesting authorization 48 hours in advance from the Sandinist police of the corresponding place.

Issued in the city of Managua on the fifth day of February 1986.

[Signed] Directorate of International and Public Relations, Interior Ministry

GENERAL AFFAIRS SECRETARIAT ISSUES APPOINTMENTS

PA061853 Managua BARRICADA in Spanish 5 Feb 86 p 5

[Text] The FSLN General Affairs Secretariat informs the Sandinist militants and the Nicaraguan people of the following agreements made by the National Directorate:

1. Sub-commander Jose Gonzalez, a member of the Sandinist Assembly, has been designated coordinator of the Special Zone No 1 Regional Committee.

2. Samuel Santos, a member of the Sandinist Assembly, has been transferred from Regional Committee No 3 to be chief of the FSLN Finance Department.

3. Companero Jose David Zuniga, a member of the Sandinist Assembly, has been assigned to Regional Committee No 3.

4. Guerrilla Commander Alonso Porras, a member of the Sandinist Assembly, has been released from his responsibilities in Regional Committee No 2 and will handle revolutionary government affairs.

5. Companero Plutarco Cordero has been designated first vice chief at the FSLN Finance Department.

6. Luis F. Perez has been designated alternate member of Regional Committee No 2.

FSLN General Affairs Secretariat; 4 February 1986

SRV, POLISARIO FRONT GREET THIRD PCC CONGRESS

CPV Central Committee

BK050123 Hanoi VNA in English 1540 GMT 4 Feb 86

[Text] Hanoi, VNA Feb 4 -- The Central Committee of the Communist Party of Vietnam has sent a congratulatory message to the 3rd congress of the Communist Party of Cuba which is due to open February 4.

The message said: Your congress is held at a time when the U.S. imperialists and the other international reactionary forces are conducting a crusade against the socialist countries and the national liberation and independence movement, carrying on the arms race on earth and in space, thus causing a strained situation in the world, posing a serious threat to peace and international security, and placing mankind before the danger of an extermination nuclear war.

The message went on: In the face of such a situation, Cuba has upheld the banner of peace, put forth an initiative regarding the question of foreign debts of the Latin American countries and demanded the establishment of a new world economic order. On the other hand, it has shown a high revolutionary determination and vigilance, continues to enhance its defence capacity and its preparations for a people's war ready to defeat all adventurous plans of the U.S. imperialists in all circumstances. The message wished the heroic Cuban people, under the leadership of the Communist Party of Cuba, still greater achievements in building and defending their socialist motherland.

Polisario Front Official

PA081804 Havana International Service in Spanish 0000 GMT 8 Feb 86

[Text] (Masut Ali Beiba), member of the Executive Committee and responsible for foreign relations of the Polisario Front, has conveyed his greetings to the Third PCC Congress. He said that the solidarity of the Cuban revolution with its just causes gives it undeniable prestige at the international level. (Ali Beiba) thanked Cuba for its multilateral aid to the Saharan Democratic Arab Republic.

FRELIMO OFFICIAL ATTENDS THIRD PCC CONGRESS

MB050836 Maputo Domestic Service in Portuguese 1030 GMT 4 Feb 86

[Text] Jorge Rebelo, member of the Political Bureau of the Frelimo Party Central Committee, has been in Havana, capital of Cuba, for the past few days, where he will take part in the Third PCC Congress. The Congress, which is due to begin today, will discuss the main documents of the party program and socioeconomic guidelines for Cuba for 1986-90.

FOREIGN DELEGATES ADDRESS THIRD PARTY CONGRESS

Hungary's Istvan Sarlos

LD061250 Budapest MTI in English 1031 GMT 5 Feb 86

[Text] Havana, February 5 (MTI) -- The Republic of Cuba today is a worthily recognized member of the community of socialist countries, it undertakes an active role in intensifying cooperation among the socialist countries and plays a determining role in the movement of non-aligned countries while it struggles actively for peace and the consolidation of international security, stated Istvan Sarlos, member of the Political Committee of the Hungarian Socialist Workers' Party addressing the Third PCC Congress of the Communist Party of Cuba in Havana.

As he stressed, the Hungarian delegation heard the report of the Central Committee of the Communist Party of Cuba on the experience and achievements of the period of time since the second congress presented by Fidel Castro. Proof of the correctness of the resolution of the second congress was that despite the continued difficult external circumstances, significant results were attained under the guidance of the Central Committee. The guarantee of attainment of objectives and execution of tasks will continue to be the consistent policy of the party, the industriousness and patriotism of the Cuban people, and the continuous intensification of the cooperation and friendship evolved with the socialist countries.

Istvan Sarlos reminded his audience that the building of socialism is inseparable from trends in what continues to be a tense international situation. The USSR, the countries grouped in the Warsaw Treaty organization and other socialist lands, in keeping with their position of principle, are striving enduringly to influence international relations in a positive direction. They have taken numerous initiatives which have had major repercussions, and the dynamicness of their foreign policy has grown in all important areas. A new and highly important development of the recent past is that the Soviet-American summit conference has taken place. As a result of all these factors there has been somewhat of an improvement in the international atmosphere.

However, the extremist circles of imperialism continue to want to force the world into an arms race that will have dire consequences, so that they might gain an upper hand in upsetting the balance of forces and expand their economic and political influence. They are trying to intervene in the internal affairs of the socialist countries and other lands with progressive social systems. They provoke conflicts in the various regions of the world. We are of the opinion that the sense of responsibility for mankind, and the need to prevent tension from growing requires the cooperation and joint stand of all peace-loving forces. This is reflected in the proposals made in the January 15th statement by Mikhail Gorbachev. We declare that the new initiative of the Soviet Union provides a firm foundation and chance to continue negotiations and to conclude them in a manner of merit, he said.

Speaking on Hungarian-Cuban relations he concluded with satisfaction that these relations are advancing in the spirit of comradely agreement and cooperation.

The foundation for our cooperation and friendship is the community of our ideals and objectives. Shoulder to shoulder we are progressing along the road to building socialism, we are fighting together against imperialism for peace and social progress. The Hungarian Socialist Workers' Party continues to work in the interests of further reinforcing the relationship between our parties and countries, and the friendship of our peoples in the spirit of mutual respect and recognition, on the basis of the principles of Marxism-Leninism and proletarian internationalism, said Istvan Sarlos, who expressed the conviction that the Third Congress of the Communist Party of Cuba would be doing successful work which would assist the advance of the Cuban people and the flowing [as received] of the Republic of Cuba.

SRV's Nguyen Van Linh

BK070831 Hanoi Domestic Service in Vietnamese 1430 GMT 6 Feb 86

["Text" of CPV Central Committee Political Bureau member Nguyen Van Linh's speech delivered on 5 February at the Third PCC Congress -- read by announcer]

[Text] Respected Comrade Fidel Castro, respected Presidium members, respected representatives of all the fraternal parties and revolutionary movements, and respected delegates: First of all, let me have the honor of representing the Communist Party and people of Vietnam in expressing my warm greetings and heartfelt sentiments of friendship to and solidarity with all the delegates and, through you, to all the fraternal Cuban communists and people.

We have attentively listened to Comrade Fidel Castro's important political report and are very happy about the all-round vigorous and steady progress of the Cuban revolution.

Since the Second PCC Congress, despite many ordeals and difficulties, the PCC and people, headed by beloved and respected Comrade Fidel Castro, have upheld their revolutionary heroism and labor creativity in the struggle to score many significant achievements.

While the economy of the Latin American countries has reverted to the level of the 1970's and is becoming increasingly weak because of foreign debts, socialist Cuba has been able to maintain a steady step of development. As the material and technical bases of socialism have been reinforced, Cuba's national defense potential has become all the more invincible. The Cuban people's living standard has definitely been enhanced. Cuba has continually implemented its international obligations to the revolutionary and liberation cause of nations and has made great contributions to gathering forces for the common struggle of the people of the world for peace, national independence, democracy, and social progress. The role and position of Cuba has been increasingly enhanced in Latin America, the Nonaligned Movement, and the world.

After 27 years of existence and development next door to the imperialist ringleader, today the Cuban revolution has asserted itself more strongly than ever as an inviolable fortress of socialism in the Western Hemisphere and as an excellent example of the national liberation revolution and independence movement in Latin America and the rest of the world.

The Cuban revolutionary victories stem from the Cuban people's revolutionary heroism, from the correct lines and the organizational ability and performance of the glorious PCC -- which has now become one of the most steadfast and experienced units of the world communist and workers movement -- and from the outstanding, creative, and revolutionary offensive leadership of its supreme leader -- the respected and beloved Comrade Fidel Castro. These are also the victories of socialism and international solidarity with the Soviet Union and the socialist community as a whole and with all the revolutionary forces of peace, democracy, and progress in the world.

The Vietnamese communists and people warmly greet these and consider these victories as their own. On this occasion, we would like to assert the Vietnamese party, government, and people's resolute support for and unswerving militant solidarity with the Cuban Party and Government's domestic and foreign policies. We resolutely demand the U.S. imperialists discontinue their policy of blockade and intervention against Cuba and return to Cuba the sacred territory of Guantanamo, illegally occupied by the United States.

Dear comrades: At present, the primary and pressing task of mankind is to struggle and defeat the belligerence and aggressiveness of the imperialist and reactionary forces headed by the U.S. imperialists, who are seriously threatening world peace and the independence and sovereignty of nations; to struggle against the arms race on earth and in space as well; and to repel and eliminate the danger of a nuclear war.

We fully support the Leninist policy of peace and the principled foreign policy of the Soviet Union and warmly welcome the convincing initiatives of General Secretary Mikhail Gorbachev during the recent U.S.-Soviet summit in Geneva and Comrade Gorbachev's important statement on 15 January 1986 concerning the program for totally banning nuclear weapons on earth before the end of this century as well as the Soviet proposal for extending the suspension of nuclear tests.

In the face of the vigorous development of the three revolutionary currents, imperialism and international reaction have mounted rabid counterattacks, but they have failed to reach their objective of crushing the revolution. On the contrary, this has only aroused the consciousness of all nations and increased their indignation. The indomitable struggle for national defense of the Nicaraguan people and the struggle of the peoples in South Africa, El Salvador, Chile, and lately, Haiti, provide ample evidence.

We resolutely support the heroic Nicaraguan people's revolutionary cause; fully support the Salvadoran people's just struggle for national liberation; give constant and resolute sympathy and support for the indomitable struggles of the Chilean, Paraguayan, and Haitian peoples against the fascist dictatorial regimes, of the Puerto Rican people against the U.S. imperialists' colonialist domination, and of the Panamanian people for their total sovereignty over the canal zone.

We fully support the South African people's just struggle against apartheid and imperialist forces and the struggle of the Afro-Asian-Latin American peoples and of the Nonaligned Movement for independence, freedom, national sovereignty, and progress.

As Comrade Fidel Castro has from his profound analysis correctly concluded, the elimination of the developing countries' foreign debts in close connection with disarmament and the establishment of a new international economic order should be the legitimate demand of those countries to the developed capitalist countries.

We welcome the selection of Zimbabwe by the Nonaligned Movement as a location for its eighth conference.

The U.S. imperialists and the warlike, militarist, and expansionist forces are scheming to turn the Asian-Pacific region into a theater of political confrontation. Vietnam resolutely joins the Soviet Union and other socialist countries, the national independent countries, and the regional forces of peace and progress in the common effort to defeat that scheme and dangerous move.

In Southeast Asia, the correct line in keeping with the interests and survival of nations is to end confrontation and enter into dialogue to settle all issues in relations among countries in a constructive spirit; on the basis of respect for the independence, sovereignty, and legitimate interests of each country; and without outside interference.

The Vietnamese people resolutely side with the Lao and Cambodian peoples in the persistent endeavour for a Southeast Asia in peace, stability, cooperation, and friendship.

In such a spirit, Vietnam has several times proposed the resumption of talks with China to settle peacefully all the outstanding problems between the two countries.

However, as yet, China has ignored our goodwill and has not relinquished its hostile policy against Vietnam and other Indochinese countries.

The Vietnamese people are determined to defend their independence, sovereignty, and territorial integrity while always treasuring their traditional friendship with the Chinese people and desire prompt restoration of normal relations between the two countries.

Dear comrades: We are much encouraged by and proud of the fact that in the last quarter century, relations between the two parties, governments, and peoples of Cuba and Vietnam have been constantly consolidated and developed on the basis of Marxism-Leninism and socialist internationalism. In the former anti-U.S. resistance struggle for national salvation as well as in the current socialist construction and national defense, the Vietnamese people have always received the militant solidarity and wholehearted support of the fraternal Cuban party, government, and people in the spirit of Comrade Fidel Castro's statement: Cuba is ready to offer its blood to Vietnam. We would like to take this opportunity to express once again our profound gratitude for such valuable and lofty feelings of solidarity.

We heartily wish the Third PCC Congress glorious success and hope the fraternal Cuban people score many successes in the implementation of this historic congress' resolutions. Long live invincible Marxism-Leninism! Long live the militant solidarity, friendship, fraternity, and all-round cooperation between the parties and peoples of Vietnam and Cuba! I thank you, comrades.

DPRK's Pak Song-chol

SK070437 Pyongyang Domestic Service in Korean 2100 GMT 6 Feb 86

[Text] Comrade Pak Song-chol, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice president, and head of the WPK delegation, delivered a congratulatory speech at the Third PCC Congress on 5 February.

After expressing his wholehearted congratulations on the Third PCC Congress, he noted that the Third PCC Congress, which will present a new milestone before the Cuban people, is being held amid great expectations of the Cuban people and amid attention at home and abroad. Saying that he wished the congress great success in its work, he continued: Despite the endless U.S. interference and blackmailing maneuvers, the PCC has fully demonstrated the true superiority and vitality of socialism in the Western Hemisphere by accelerating the nation's defense construction through organizing and mobilizing the Cuban people and by achieving brilliant development in all fields of socialist construction without the slightest hitch or hesitation.

Through its glorious struggle, the PCC has accumulated rich experience, has been tested organizationally and ideologically, and has grown and strengthened itself to become a powerful vanguard organization, with the broad working masses rallied around it.

Today, the existence and the role of revolutionary Cuba which is under your party in Latin America is vigorously encouraging the struggle of the people in this region against the U.S. imperialists' aggression and interfering maneuvers and for peace and security. He noted that the Cuban people's struggle to smash the unfair international economic order in Latin America and to justly settle the issue of foreign debts, the product of the imperialists' policy of plunder, is now winning great sympathy from the peoples of various countries.

He continued: Our party and people genuinely rejoice over the fact that the PCC and the heroic Cuban people under its leadership have defended the socialist cause and achieved great success in the revolution and construction in the indomitable spirit and vigor with which they have blazed the road to socialism for the first time in Latin America by bravely overcoming all sorts of tribulations and ordeals.

The WPK and the Korean people sincerely wish the PCC, led by Comrade Fidel Castro and the fraternal Cuban people who are rallied firmly around it, great successes and advancement in their future struggle to thoroughly implement the decisions made at the Third PCC Congress. He said that the WPK and the Korean people, upholding the program for imbuing society with the Chuche idea presented at the sixth party congress by the great leader of our people Comrade Kim Il-song, are making every effort possible to realize an independent and peaceful reunification of the country, while hastening the complete victory of socialism by vigorously carrying out the three revolutions -- ideological, technological, and cultural -- under the wise leadership of our party center.

Noting that the Korean peninsula is one of the places where the danger of war is most imminent, he said that the U.S. imperialists, while introducing a great number of nuclear weapons into South Korea, are further strengthening their maneuvers of aggression and provocation against the DPRK with each passing day. He then denounced the U.S. imperialists and the persons in authority in South Korea for scheming to conduct a large-scale "Team Spirit-86" joint military exercise. Saying that because of the daily unmasking maneuvers of the U.S. imperialists and the puppet South Korean clique to provoke a war, a very dangerous situation capable of triggering a new war at any time has been created on the Korean peninsula. He said that if a war breaks out in Korea, it will cast the pall of a formidable catastrophe of nuclear war over not only the Korean people, but also on the peoples of Asia and the world. He stressed: Therefore, preventing the danger of a nuclear war on the Korean peninsula is not only a question related to the fate of the Korean people, but is also an important question related to world peace and security.

He said the WPK and the DPRK Government are engaged in a vigorous struggle to force U.S. troops to withdraw from South Korea along with their nuclear weapons and to turn the Korean peninsula into a nuclear-free peace zone in order to eliminate the danger of war, to achieve lasting peace on the Korean peninsula, and to realize an independent and peaceful reunification of the country and, after putting forth various reasonable proposals, including the proposal for tripartite talks and the proposal for parliamentary talks. He said we are making every sincere effort possible to realize them. He stressed that although there are some obstacles before us, the Korean people will achieve an independent and peaceful reunification of the country without fail with the united strength of the entire people under the banner of peace and reunification.

After expressing deep thanks to the PCC and the fraternal Cuban people for always extending positive solidarity to the just cause of our party and people for an independent and peaceful reunification of the country, he continued: Although they are geographically far away from each other, the parties and peoples of our two countries are class brothers who are always struggling together in their common struggle for the victory of the socialist cause while offering each other mutual support and cooperation. The WPK and the Korean people value the militant friendship and unity with the PCC and the Cuban people established, consolidated, and developed in the course of anti-imperialist struggle and will as ever make very effort possible to develop the friendly and cooperative relations between the parties and peoples of the two countries.

Concluding his speech, he said: Our party and people will advance, struggling to defend peace against war and to build an independent new world in strong unity with the socialist countries, including Cuba, the nonaligned countries, and all of the world's peace-loving people, under the banner of anti-imperialist independence.

PRK's Nguon Nhel

BK080754 Phnom Penh SPK in English 0541 GMT 8 Feb 86

[Text] Phnom Penh, SPK, February 7 -- Nguon Nhel, candidate Politburo member of the Central Committee of the People's Revolutionary Party of Kampuchea [PRPK], gave a speech at the Third Congress of the Communist Party of Cuba [PCC] opened in Havana Tuesday, according to our corespondent.

Nguon Nhel said: "We have followed with great attention the political report of the Central Committee of the PCC delivered at this current congress by First Secretary Fidel Castro Ruz and we greatly rejoiced at the wonderful victories recorded by the fraternal Cuban people in the struggle for national defence and construction. Last year, Cuba suffered a prolonged drought, the heavy damage caused by hurricane "Kate" and a decrease in sugar price in the international market. But, under the correct leadership of the PCC with Fidel Castro Ruz at the head, the Cuban people managed to overcome these terrible difficulties, overcoming the aftermath of great natural calamities and the effect of the economic crisis in the capitalist world". Nguo Nhel continued by saying that Cuba had foiled all threats and provocations from the U.S. imperialists and their associates who were trying to contain the revolutionary movement in the region. The victories of the Cuban people have incessantly enhanced the prestige of the Republic of Cuba and greatly encouraged the other peoples in Latin America in the struggle for national independence, democracy and social progress, Nguon Nhel said.

Speaking of the national rebirth in Kampuchea under the correct leadership of the PRPK, Nguon Nhel said that the resounding victories in the 1984-85 dry deason confirmed the irreversible advance of the Kampuchean revolution.

"Our great success in all domains are vivid proof of the correctness of the defence and construction policy of the People's Republic of Kampuchea," Nguon Nhel said.

He pointed out that the success of the Kampuchean revolution derived from the strength of the special militant alliance of the three Indochinese peoples, from the considerable and effective assistance and cooperation of the Soviet Union and other countries in the socialist community, and from the support and assistance of friendly countries in the world.

Nguon Nhel said the peoples of the three Indochiese countries saw clearly the obstinacy and perfidy of the enemy in his unending scheming against Kampuchea and other countries in Indochina, and that this obstinacy and perfidy was at the bottom of the strategic Beijing-Washington-Tokyo collusion in Asia and the Pacific and was the main cause of the constant tension in this region. The Kampuchean people are consistently and patiently striving, together with the fraternal Vietnamese and Lao peoples, for a Southeast Asia of peace, stability and cooperation, and the well-meaning proposals made by the three Indochinese countries must have a positive response from the parties concerned, Nguon Nhel stressed.

The Kampuchean delegate voiced full support for the new, important initiatives advanced by CPSU General Secretary M.S. Gorbachev concerning the total banning of offensive cosmic arms production, the halt of all nuclear tests and the prevention of militarization in outer space.

He declared firm support for the struggle of the peoples in Asia, Africa, Latin America for national independence and sovereignty and for a new world economic order. "We shall foil all acts of provocation perpetrated by the imperialists against Cuba and shall stop their intervention in Nicaragua, El Salvador, Angola, Namibia, Libya, Afghanistan and elsewhere," Nguon Nhel said.

He concluded by saying that the Cuban people, under the leadership of the PCC, will be equal to the tasks set by the present congress.

Algeria's Abdelghani

LD070019 Algiers Domestic Service in Arabic 2300 GMT 6 Feb 86

[Text] Brother Mohamed Ben Ahmed Abdelghani, member of the Political Bureau and minister of state for the presidency stressed anew the attention Algeria gives to the consolidation of the solidarity among the Nonaligned Movement in order to confront the international economic crisis.

In his address to the Third PCC Congress, Brother Abdelghani said that the establishment of a new international economic system is vitally important, and that together with the liberation of the persecuted peoples and the ending of the nuclear threat they constitute the determining factors in consolidating international security and cooperation.

In his address, the minister of state for the presidency pointed out the existing good relations between the Algerian and Cuban peoples and between the FLN and the PCC, stressing that Algeria will always work towards the consolidation of these relations.

Tanzania's Mwire

EA071531 Dar es Salaam Domestic Service in Swahili 1300 GMT 7 Feb 86

[Text] Havana -- The Chama Cha Mapinduze [CCM] has commended the Communist Party and the people of Cuba for making sacrifices toward the liberation of the African Continent. Conveying the CCM's message at the Third PCC Congress, the head of ideology, political education and training of the National Executive Committee Secretariat, Ndugu Kingunge Ngombale Mwire, said the CCM has been overwhelmingly encouraged by the Cuban people's sincere involvement in the liberation struggle in the African Continent and the whole world.

Ndugu Ngombale Mwire assured the Cuban people that the CCM and all Tanzanians would continue to provide moral and material support to the people of South Africa and Namibia until the Boers and their puppets are completely wiped out in those countries. The head of the party secretarial [position as heard] said Tanzania would continue to support the Angolan revolution and other Frontline states against the savage aggression by the oppressive regime of South Africa.

Conveying a special message from party chairman Mwalimu Nyerere to the congress, Ndugu Ngombale Mwire hailed the 1959 Cuban revolution which made Cuba the first country in South America to become truly independent. He said this revolution was an inspiration to other nations seeking their independence.

Ndugu Ngombale Mwire praised the great progress made in Cuba since the revolution in the fields of industry, agriculture, education, health and culture. He added that these successes were an example to be emulated by the world's developing countries.

NICARAGUA'S ORTEGA MEETS WITH FOREIGN DELEGATES

USSR's Ligachev

PA071243 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Feb 86

[Text] Daniel Ortega, Nicaraguan president and commander of the revolution is in Havana, where he is attending the Third PCC Congress. President Ortega is fulfilling a heavy schedule at that event.

Yesterday, President Ortega met with Yegor Ligachev, member of the CPSU Politburo and secretary of its Central Committee. Later he met with Horst Sindermann, president of the GDR People's Chamber. Subsequently, he met with Milos Jakes, member of the Presidium and secretary of the Central Committee of the Communist Party of Czechoslovakia.

This morning President Ortega addressed the participants at the congress to deliver the message of the FSLN National Directorate. In his speech, the Nicaraguan president said, while commenting on the Cuban Government's and people's solidarity with Nicaragua, that the friendship between the two countries is inalterable and cannot be negotiated.

GDR's Sindermann

LD051011 East Berlin ADN International Service in German 0812 GMT 5 Feb 86

[Text] Havana, 5 Feb (ADN) -- A cordial meeting took place last night in Havana between Horst Sindermann, member of the SED Central Committee Politburo and president of the GDR People's Chamber, and Daniel Ortega, the president of the Republic of Nicaragua, co-ordinator of the FSLN national leadership. The exchange of views between the SED and FSLN delegations, taking part in the Third PCC Congress, focused on questions of bilateral cooperation between both parties as well as on international questions.

Daniel Ortega spoke about the great efforts being made by the Nicaraguan people under FSLN leadership to defend their revolutionary gains and contribute to a political solution of the conflict in the Central American region. He expressed his gratitude for the numerous proofs of solidarity from the GDR.

Horst Sindermann reaffirmed that the socialist German state would continue to stand firmly at the side of Nicaragua and all fighting peoples in Latin America in accordance with its foreign policy principles.

Romania's Iosif Banc

AU071948 Bucharest AGERPRES in English 1828 GMT 7 Feb 86

[Text] Havana, AGERPRES 7/2/1986 -- The general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Nicolae Ceaucescu, was conveyed a warm salute and the best wishes of good health, happiness and success in his highly-responsible activity at head of the party and state, and the friendly Romanian people wishes of progress and prosperity, on behalf of Daniel Ortega Saavedra, coordinator of the Executive Commission of the Sandinist National Liberation Front (FSLN), president of the Republic of Nicaragua.

On behalf of President Nicolae Ceausescu, Daniel Ortega Saavedra was conveyed a message of cordial greetings, as well as wishes of good health and success, of free development and independence for the friendly Nicaraguan people.

The exchange of messages took place during a meeting in Havana between Iosif Banc, member of the Executive Political Committee, secretary of the CC of the RCP, head of a delegation of the Romanian Communist Party to the proceedings of the Third Congress of the Communist Party of Cuba, and Daniel Ortega Saavedra.

During the interview, reference was made to the Bucharest talks between Nicolae Ceaucescu and Daniel Ortega Saavedra, occasioned by the visit the President of the Republic of Nicaragua paid to Romania in 1985, which went down as a significant moment in the development of the relations of friendship and solidarity between the RCP and the FSLN, between the two countries and peoples.

Opinions were also exchanged on the current international situation.

SRV's Nguyen Van Linh

OW071549 Hanoi VNA in English 1541 GMT 7 Feb 86

[Text] Hanoi, VNA Feb 7 -- Commander of Revolution Daniel Ortega Saavedra, president of the Sandinista National Liberation Front and coordinator of the junta of the Government of National Reconstruction of the Republic of Nicaragua, received in Havana on Feb. 5 Nguyen Van Linh, Political Bureau member of the Communist Party of Vietnam Central Committee and head of the Vietnamese Party delegation to the current Third Congress of the Communist Party of Cuba.

During the reception, host and guest informed each other of the situation in their respective countries as well as in the regions concerned.

Nguyen Van Linh conveyed the Vietnamese party and state leaders' best regard to President Daniel Ortega and reaffirmed the Vietnamese people's full support for and solidarity with Nicaragua's revolution.

For his part, Daniel Ortega expressed the Nicaraguan people's militant solidarity and fraternal friendship with the Vietnamese people in national construction and defence as well as with the peoples of Laos and Kampuchea in foiling all hostile moves of the U.S. imperialists and other reactionary forces.

Iraqi Ba'th Party Official

JN081316 Baghdad Voice of the Masses in Arabic 1200 GMT 8 Feb 86

[Text] Havana -- Comrade Shibila al-'Aysami, assistant secretary general of the Arab Socialist Ba'th Party, has met with Nicaraguan President Daniel Ortega in Havana. During the meeting, they discussed promoting cooperation between the Ba'th Party and the Sandinist National Liberation Front and between Iraq and Nicaragua.

It is noteworthy that Comrade Shibli al-'Aysami is currently in Cuba to attend the Third Congress of the Communist Party of Cuba, leading a delegation which comprises Comrade Na'im Haddad, National Command member, and Comrade Sa'd Qasim Hammudi, director of the Foreign Relations Bureau of the National Command.

GDR'S HORST SINDERMANN MEETS WITH CASTRO, OTHERS

Castro Meeting

LD081802 East Berlin ADN International Service in German 1651 GMT 8 Feb 86

[Text] Havana, 8 Feb (ADN) -- Fidel Castro, Cuban Communist Party Central Committee first secretary and president of the Council of State and the Council of Ministers of the Republic of Cuba, has received Horst Sindermann, leader of the SED delegation to the Third PCC Congress, SED Central Committee Politburo member and GDR People's Chamber president, in Havana.

The SED delegation head congratulated the Cuban Communists on the superb successes of socialist construction, whose impressive balance-sheet was drawn up at the party congress. The sober and optimistic discussion of the great tasks in the next 5-year plan and up to the year 2000 reflects the Cuban Communists' reliance on their own people's creative power and the socialist community's proven cooperation.

Fidel Castro expressed his thanks for the two parties and countries' ever closer fraternal cooperation based upon equal rights and mutual advantage. In the exchange of opinions, tribute was paid to the great benefit resulting from the training of thousands of Cuban youngsters for skilled work in the GDR; they proved themselves outstandingly within the Cuban economy following their return to Cuba.

Textile Workers Rally

LD081949 East Berlin ADN International Service in German 1818 GMT 8 Feb 86

[Text] Havana, 8 Feb (ADN) -- A rally of firm friendship and solidarity between the peoples of the GDR and Cuba this (Saturday) evening united the SED delegation to the Third PCC Congress with workers at the new textile combine in the suburbs of Havana. Horst Sindermann, SED Central Committee Politburo member and People's Chamber President, in an address to the textile workers conveyed fraternal greetings from the SED and Erich Honecker, and from all Communists and workers of the GDR. He congratulated the workforce on their new production center which was built and equipped in cooperation with the GDR. Workers, technicians, and engineers trained in the GDR are employed here.

At the rally, Flavio Bravo, Cuban Communist Party Central Committee member and National Assembly President expressed his thanks to the GDR for its help and solidarity.

Salvadoran Representatives

LD081921 East Berlin ADN International Service in German 1709 GMT 8 Feb 86

[Text] Havana, 8 Feb (ADN) -- Horst Sindermann, member of the SED Central Committee Politburo and president of the People's Chamber of the GDR, the (Saturday) evening in Havana met representatives of the people of El Salvador. Jorge Shafik Handal, secretary general of the Communist Party of El Salvador, and Ferman Cienfuegos, leader of the national resistance forces, conveyed on behalf of the Farabundo Marti National Liberation Front and of the Revolutionary Democratic Front sincere thanks for the GDR people's attitude of solidarity. They expounded on the resolution of the popular organizations to continue their just struggle for a democratic solution, against the interventionist plans of imperialism and its local accomplices. The popular organizations were consistently in favor of political dialogue.

Sindermann thanked the representatives of the Salvadorean popular organizations for their high regard for the foreign political effort of the GDR, which would also in the future stand firmly by the side of the peoples who represented their right to national and social self-determination.

In a further conversation, Horst Sindermann expressed to Rene Theodore, secretary-general of the United Party of Haitian Communists, the solidarity of GDR people with the decades-long, self-sacrificing struggle of the people of Haiti for a democratic alternative.

FIDEL CASTRO RECEIVES ROMANIA'S IOSIF BANC

AU081658 Bucharest AGERPRES in English 1548 GMT 8 Feb 86

[Text] Havana, AGERPRES 8/2/1986 -- Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, received Iosif Banc, member of the Executive Political Committee, secretary of the CC of the RCP, who represented the RCP to the Third Congress of the Communist Party of Cuba.

Warm congratulations were conveyed to the Cuban leader on behalf of the general secretary of the Romanian Communist Party, Nicolae Ceausescu, on his having been re-elected first secretary of the Central Committee of the Communist Party of Cuba as well as wishes of good health and happiness, and friendly Cuban people was conveyed success in economic and social development, just as wishes of progress and prosperity. [sentence as received]

Keenly thanking for the wishes, Fidel Castro Ruz requested that cordial friendly greetings and best wishes of good health and personal happiness, of success in his activity as head of the party and state be conveyed to Nicolae Ceausescu, while the friendly Romanian people wishes of further accomplishments in the economic and social development of the country. Fidel Castro Ruz considered the RCP delegation's participation in the Third Congress of the Communist Party of Cuba as an expression of the fine ties between the two parties.

During the interview, reference was made to the links of friendship and cooperation between the two parties, countries and peoples as well as to the decisive importance summit understandings have for the development and diversification of Romanian-Cuban relations.

The interview passed in a comradely atmosphere of warm friendship.

SRV PARTY DELEGATION MEETS ENVOYS IN HAVANA

BK091713 Hanoi VNA in English 1518 GMT 9 Feb 86

[Text] Hanoi, VNA Feb. 9 -- The Vietnamese party delegation led by Nguyen Van Linh, Political Bureau member of the Communist Party of Vietnam Central Committee, to the recent third congress of the Party of Cuba has met with several delegations of parties and revolutionary organizations in the Cuban capital.

In a meeting on Feb. 6 with Jorge Safik Handal, general secretary of the Communist Party of El Salvador, and Fermin Cienfuegos, member of the leading committee of the Farabundo Marti National Liberation Front, Nguyen Van Linh expressed the Vietnamese party, government and people's solidarity with and full support for the Salvadoran people's national liberation and wished them still greater successes.

On Feb. 8, the Vietnamese delegation met with Antonio dos Santos, Political Bureau member of the M.P.L.A. Central Committee and head of the Angolan delegation. The two sides condemned the South African authorities' hostile policy and acts of aggression against Angola and the frontline countries in southern Africa. They also condemned the U.S. imperialists and other international reactionary forces for continuing sabotage against the three Indochinese countries and obstructing the efforts to turn Southeast Asia into a region of peace and stability. Nguyen Van Linh reaffirmed the Vietnamese people's unswerving support for the Angolan people's national construction and defence as well as the correct stance of the Angolan Government to safeguard sovereignty, territorial integrity and national independence.

Nguyen Van Linh, and his party also called on the Cuban committee for solidarity with Vietnam and were cordially received by Rene Rodriguez, president of the committee. On Feb. 8, the Vietnamese delegation received Melba Hernandez, director of the Research Centre for Asia and the Pacific of the Communist Party of Cuba Central Committee. The same day, the delegation attended a party to observe the Vietnamese lunar new year festival jointly honored by the Cuban committee for solidarity with Vietnam and the Vietnamese Embassy in Cuba.

FOREIGN DELEGATES COMMENT ON NATIONAL ISSUES

Ortega Stresses Desire for Peace

FL062022 Havana Radio Rebelde Network in Spanish 1937 GMT 6 Feb 86

[Text] More than 200 foreign and Cuban correspondents have participated in a press conference granted by Nicaraguan President Daniel Ortega. Prior to answering questions posed to him, the Sandinist leader referred to his country's situation in general.

[Begin recording] In recent days Nicaraguans have been confronting -- I should say not only Nicaraguans because it includes all of Latin America -- what has become a renewed political attack by the U.S. Government in an effort to keep the aggression in Central America alive, to maintain instability in Central America. In such a way the U.S. President has rejected the peace proposal, the peace initiative of Latin America, and the willingness to accept the peace that Nicaragua has always wanted and continues to want.

At the beginning of this year, during January, we learned of the Caraballeda declaration, in which Latin America has proposed nine points of simultaneous actions. It has proposed a U.S.-Nicaraguan dialogue to make progress based on a peaceful, effective process in the Central American region. The U.S. Government's response has been one of rejection of that Latin American position. [end recording]

In his press conference Commander Ortega reiterated the friendship uniting his country with Cuba and said the Nicaraguan people are ready for any eventuality, from economic war to bacteriological or military war.

Angola's Pinto on Socialism

FL062302 Havana Radio Rebelde Network in Spanish 2221 GMT 6 Feb 86

[Interview with Paulino Pinto Joao, chief of the Information and Propaganda Department of the Popular Liberation Movement of Angola-Labor Party, MPLA-PT, by Orlando Contreras, at the Palace of Conventions in Havana -- live]

[Text] [Contreras] We greet you on behalf of Radio Rebelde.

[Pinto] Good afternoon, Comrade.

[Contreras] I would like to ask your view about the 3 days of activities of our party congress.

[Pinto] We highly value the way in which the Third PCC Congress is being carried out. The congress started on 4 February, and we have felt the great revolutionary warmth of all the PCC members while discussing, first of all, the report presented by Commander Fidel Castro. We felt it again today when discussing the resolutions by the Cuban communist plenum. We think that this congress, the Third PCC Congress, is highly significant, not only for the Cuban revolution but for also all the revolutionary forces in the world.

[Contreras] Thank you, Comrade Pinto Joao. I would like to ask you another question. The date 4 February is very important for us because it is the day we began the congress, however, 4 February was a highly important day 25 years ago.

[Pinto] Yes, on 4 February a group of patriots organized the vanguard of the struggle for our national liberation and picked up their weapons to start the struggle that led to the ousting of Portuguese colonialism and the proclamation of Angola's national independence. This marked the start of a revolutionary process that continues today, aimed at creating the conditions for the construction of socialism in our country.

[Contreras] Thank you, Comrade Pinto Joao, chief of the MPLA-PT Information and Propaganda Department. We now return to our main studio.

Haiti's Theodore on Junta

PA080112 Havana International Service in Spanish 2347 GMT 7 Feb 86

[Text] The Duvalier regime has just fallen with the flight to France of its last representative, Jean-Claude Duvalier. This is precisely the topic of the telephone interview with Rene Theodore, secretary general of the United Party of Haitian Communists, by our reporter, Nercido Heredia. Theodore is in Cuba attending the Third PCC Congress.

[Begin recording] [Heredia] Rene Theodore, what is your impression of the political situation in your country following the flight of Haitian dictator Jean-Claude Duvalier aboard a U.S. military airplane?

[Theodore] Nothing will be resolved with the new junta that replaces Duvalier because it is a Duvalierist junta artificially created by the North Americans. Social progress and freedom can only be effectively achieved through a democratic government. Nothing is definitely resolved with Duvalier's departure. This is only an important moment of the Haitian people's struggle.

[Heredia] Do you think the Haitian people will continue to struggle until a democratic government is installed?

[Theodore] We believe the Haitian people will have to continue to struggle for real and authentic democratization in Haiti. This involves the formation of a government that will stem from the people's committees throughout the country, which are the institutions that have truly been created by the popular movement today. We also believe that this popular mass that has been massacred and beaten by these same elements who now form part of the junta cannot but repudiate this new government comprised of Duvalierists. In addition, it is time to demand the immediate release of all political prisoners, the unrestricted return of all political exiles, and all the rights for which the people have struggled for 29 years. [end recording]

BALAGUER EXPRESSES APPROVAL OF MAIN REPORT

FL102240 Havana Tele-Reblede Network in Spanish 1420 GMT 7 Feb 86

[Speech by Jose Ramon Balaguer, secretary of the Communist Party of Cuba, PCC, to the 6 February session of the Third PCC Congress at the Palace of Conventions in Havana -- recorded; monitored in progress]

[Text] ...analyzed the Central Committee report presented by its first secretary, Comrade Fidel Castro Ruz. The congress believes that the main report objectively reflects, through a brilliant and accurate analysis, the work carried out to fulfill the sidelines for the 1981-85 5-year period, which were approved during the party's second congress. It also underscores our people's achievements in the country's economic and social development; the population's standard of living; the tasks for the defense of the homeland, the strengthening of our revolutionary awareness; the work carried out by political, social, and mass organizations; our party's leading role; and Cuba's political role at the international level.

The report fully outlines the problems we have had to deal with during this period, many of them of an objective nature, such as the worsening of U.S. imperialism's hostility and stepped up blockade, weather problems, and deficiencies in every sector, for which we are responsible and which must be solved. Fidel's example has shown us how to act, the spirit of self-criticism we must work with, and how we must counter these problems, deficiencies, and faults. In other words, he shows us what a Communist's conduct must be.

The report highly values all the support and solidarity received from the socialist community, particularly the aid offered in every sense by the Soviet Union. The congress agrees on the fact that the report makes a just analysis by recognizing the formidable effort that has been exerted for the organization and development of production and services, increased productivity; increased exports and replacement of imports; improved quality control and fuel savings; scientific and technical development; increased commitments; and the perfection of socialist emulation. It also points out how much is yet to be done.

The report states clearly the main goals our party, state, and working people will struggle to achieve in the near future. The report analyzes the attention given to problems concerning our ideological struggle, communist education, general education, culture, public health, and the work to prepare our youths; correctly outlines in which direction the party must orient its work in the future; faithfully sums up the great effort exerted and results obtained in defense tasks and the country's preparation of all for the people's war if an imperialist aggression makes it necessary. The congress firmly supports the foreign policy carried out by our party and state and believes it is firmly based on their principles. Likewise, the current international situation and dangers that threaten world peace are thoroughly analyzed. The main goals of the economic and social plans for the next 5 years are clearly and precisely outlined, underscoring that they are an essential part of the development strategy to the year 2000.

The main report to the third congress is a historical political document, and its contents represents the best base for the party's draft program. The report synthesizes -- in Comrade Fidel's clear, convincing, and often stirring style -- the fruitful prospects for our homeland, based on solid and objective bases, and the Cuban people's awareness of its importance.

The Third PCC Congress fully approves the main report presented for its analysis and believes that those who are members or wish to be members of the party should analyze it in-depth, and it should become an essential part of communists' preparation process, so that they are better prepared to analyze and discuss the draft program during 1986. The third congress urges the party, the union of young Communists, mass and social organizations, state and government organizations, and all the people to renew their efforts to successfully counter the multiple and complex tasks that must be carried out for building socialist society in our homeland, with the Granma pointed toward our future and under the invincible guidance of Fidel! [applause]

FOREIGN DELEGATES DEPART AFTER PCC CONGRESS

CPSU, Nicaraguan Delegates

FL081650 Havana Radio Reloj Network in Spanish 1632 GMT 8 Feb 86

[Text] Army General Raul Castro, second secretary of the PCC central committee has accompanied Yegor Ligachev, CPSU Politburo member, to the Jose Marti International Airport.

Ligachev heads the CPSU delegation invited to the Third PCC Congress.

Nicaraguan President Daniel Ortega has returned to Managua after the conclusion of the great event. He was accompanied to the airport by Politburo member Juan Almeida.

On that last flight, guests from 23 countries departed, including Puerto Rico, Dominican Republic, Panama, Argentina, Brazil, Curacao, St Vincent, St Lucia, Trinidad-Tobago, El Salvador, Grenada, Italy, Uruguay, and Haiti. Those personalities that participated in the third party congress will attend the continental solidarity with Nicaragua meeting to be held in Managua on 11-12 February.

Angolan, Polish Delegates

FL101458 Havana Radio Progreso Network in Spanish 1200 GMT 10 Feb 86

[Text] Several delegations invited to the third party congress have continued to return to their respective countries after participating in the historic event. At Jose Marti International Airport, Army General Raul Castro, party second secretary, saw off Antonio Dos Santos Franca, Popular Liberation of Angola-Party Labor Politburo member and Angola's vice minister of defense. Raul also saw off Marian Wozniak, Politburo member and secretary of the Polish United Workers' Party. Japan Communist Party Deputy and Vice Chairman of the Presidium (Kamehiro Senaga) was seen off at the airport by Jesus Montane Oropesa, Central Committee member and chief of its general Foreign Relations Department.

Romanian, Others

FL102000 Havana Radio Reloj Network in Spanish 1520 GMT 10 Feb 86

[Text] Iosif Banc, member of the Permanent Bureau of the Romanian Communist Party Political Executive Committee and secretary of the party's Central Committee, departed last night after participating as a guest at the Third PCC Congress. Banc was heading his country's delegation. Dr John Garang and Muhammad Ibrahim Nugud, president and secretary general of the Sudanese Communist Party, respectively, left on the same flight. They were seen off by Politburo member Jorge Risquet and Central Committee members Antonio Perez Herrero and Raul Valdez Vivo.

After participating as a guest during the third party congress, (Clemens Guaranchek), Zambian United National Independence Party Central Committee Social and Cultural Affairs Committee chairman, has returned to his country.

Na'im Abbas al-Ashhab, Palestine Communist Party Politburo member, also left Havana last night.

BARBADOS

CZECHOSLOVAKIA NAMES NONRESIDENT AMBASSADOR

FL101715 Bridgetown CANA in English 2131 GMT 8 Feb 86

[Text] Bridgetown, Feb 8, CANA -- Czechoslovakia has named its first nonresident ambassador to Barbados. He is Venezuela-based Zdenek Pulec, who on Friday presented his letter of credence to Governor General Sir Hugh Springer. Ambassador Pulec is accredited to Venezuela and also holds concurrent accreditations to Jamaica and Trinidad and Tobago. The two countries established diplomatic relations in 1977.

GRENADA

12TH NATIONAL INDEPENDENCE CELEBRATIONS HELD

FL071940 Bridgetown CANA in English 1920 GMT 7 Feb 86

[Text] St Georges, Feb 7, CANA -- A military route march and an ecumenical service were the major highlights of today's 12th independence celebrations in Grenada. The march began outside the St Georges Anglican Church where the service was held and ended at police headquarters about one mile away.

Among the marchers were policemen, prison officers, scouts and guides, and a contingent from the British Frigate HMS Minerva now on the island for the celebrations. The 90-minute service was attended by Governor-General Sir Paul Scoon, government ministers and diplomats. Absent was Prime Minister Herbert Blaize who is spending the day in Grenada's sister island, Carriacou, which he represents in Parliament.

Although the day is a public holiday, several stores in the capital were open catering for hundreds of visitors brought to the island by a cruise liner docked at the St Georges seaport.

Grenada got its independence from Britain on February 7, 1974.

VERNON WALTERS TO MEET PRIME MINISTER BLAIZE

FL101740 CANA in English 1652 GMT 10 Feb 86

[Text] St Georges, Feb 10, CANA -- U.S. Ambassador to the United Nations Vernon Walters, now on a Caribbean visit, is expected to express American pleasure with Grenada's voting at the United Nations when he meets tomorrow with Prime Minister Herbert Blaize, diplomatic sources said today.

Walter's visit to Grenada comes 10 days ahead of President Reagan who makes a four-hour stopover on February 20 for talks with Blaize and other Caribbean leaders.

The sources told CANA that Washington is happy with the manner in which Grenada's 13-month old centrist government was voting at the U.N. General Assembly.

During the rule of Grenada's Leftwing People's Revolutionary Government (PRG), the island was the sole English-speaking Caribbean country to vote in support of the Soviet invasion of Afghanistan in 1979 and opposed a resolution condemning the shooting down of a Japanese commercial airliner in 1983 after it strayed into Soviet air space.

The leftist leaders were toppled in a U.S.-led invasion in October 1983.

BLAIZE REPORTS ECONOMY'S STEADY GROWTH

FL101720 Bridgetown CANA in English 2217 GMT 8 Feb 86

[Text] St Georges, Feb 8, CANA -- Prime Minister Herbert Blaize, in a radio address last night, said the economy was growing steadily with inflation under control and tourism continuing its upswing. The cost of living rose by only 1.8 percent in 1985, he said and indications are that inflation would decline this year. This augurs well for the development of the economy, which is expected to grow further with negligible inflation, the prime minister said. The Washington-based International Monetary Fund (IMF) estimated the Grenada economy grew by three percent last year, due mainly to an acceleration in construction activity and tourism, and a recovery in manufacturing.

Blaize said agriculture, the number one foreign exchange earner for Grenada, turned in a mixed performance last year with production falls in bananas, nutmeg and mace, but with only cocoa showing a 6 percent production increase.

The IMF in its recent report noted that the share of agriculture in Grenada's Gross Domestic Product (GDP) fell from 21.9 percent in 1981 to an average of 18.5 percent in 1982-84 and was estimated at about 17 percent in 1985.

Cocoa output grew from 4.4 million pounds in 1984 to 4.7 million last year, while banana exports fell from 25.1 million pounds in 1981 to an estimated 17 million pounds in 1985. Grenada earned some EC37.3 million dollars (1 EC doll; 37 cents U.S.) from sales of its chief export crops last year, Blaize said, 23 percent more than in 1984. Tourism, he said, made a spectacular turn around with increases in both stayover visitor arrivals and cruise ship passengers. There were 92,000 cruise ship passengers visiting Grenada last year, compared to 35,000 the previous year and a 34 percent increase in stayover visitors, he added. These figures reflect the growing confidence of the international community in Grenada as an important tourist destination and this potential is very strong, Blaize remarked. Tourism in Grenada took a downward slump in the aftermath of the October 1983 U.S.-led invasion of the island to topple a leftist junta that had seized power in a bloody coup in which Prime Minister Maurice Bishop was killed.

HAITI

NAMPHY PROMISES DIRECT PRESIDENTIAL ELECTIONS

PA101729 Madrid EFE in Spanish 1652 GMT 10 Feb 86

[Text] Port-au-Prince, 10 Feb (EFE) -- General Henri Namphy, president of the Haitian National Government Council, today promised constitutional elections and later, direct presidential elections.

At the ceremony to install the new government, Namphy made a speech in which he also referred to restoring liberties, and a Haitian democratization process.

"The country wants a liberal constitution, the reconstruction of a legislative branch resulting from free elections, and presidential elections by direct universal suffrage, and we are aware of this," Namphy said.

DEMONSTRATORS PROTEST TWO MINISTER APPOINTMENTS

PA110130 Madrid EFE in Spanish 0105 GMT 11 Feb 86

[Text] Port-au-Prince, 10 Feb (EFE) -- The civilian-military junta that took office in Haiti after the fall of Jean Claude Duvalier confronted its first domestic problem today. Two new officials, who have been designated as ministers and who assumed office today, were unable to enter their offices because of a demonstration against them. Odenel Fenestor, new commerce and industries minister, and Montegue Cantave, agriculture minister, were stopped by furious employees who prevented them from entering their offices. The two officials worked for the Duvalier regime in the past. Fenestor was formerly commerce minister, while Cantave was agriculture secretary at one time.

CANADIAN, U.S. CITIZENS EVACUATED BY PLANE

FL102015 Bridgetown CANA in English 2000 GMT 10 Feb 86

[By John Cotter]

[Text] Port-au-Prince, Feb 10, CANA-REUTER -- An Air Canada jumbo jet carrying 400 people left here today in a deal worked out by the Canadian Government and Haiti's new rulers -- but the island nation remained sealed to outsiders.

The Haitian Government indicated that it would permit two U.S. airlines to land tomorrow to take out scores of stranded Americans, some of whom have expressed anger and frustration with Washington. I listen to the Voice of America, and they say that all is calm in Haiti, and then I hear the bang-bang-bang of gunfire outside, said Larry Wilson, a medical missionary from Oregon. He was among two dozen U.S. citizens who tried without success to leave today.

The small airport outside this capital city has been closed since last Friday, when beleagued strongman Jean-Claude Duvalier fled the country with his family aboard a U.S. military plane.

The airport is likely to remain shut for several more days, according to a source familiar with the new military-civilian government.

The source said the new government was concerned about an influx of agitators among the hundreds of thousands of Haitian exiles now living in the United States and surrounding Caribbean nations.

OPPOSITION IN EXILE FORMS GOVERNMENT

PA092342 Madrid EFE in Spanish 2232 GMT 9 Feb 86

[By Ricardo Medina]

[Text] Port-au-Prince, 9 Feb (EFE) -- The Haitian opposition in exile today announced the formation of a public welfare (salud publica) government as an alternative to Duvalierism represented by General Henri Namphy, and denounced the killing of 1,000 persons in the last few hours.

General Namphy himself today visited the residence of the first congressman of Port-au-Prince, Edner Day, who refused to surrender to the troops despite the presence of two light tanks in front of his home.

Namphy went to the house to convince Day to come out, which he refused to do until a teargas bomb was hurled inside, according to witnesses.

After Namphy left the residence, EFE witnessed how a police officer opened fire against the basement of the house where the neighbors claimed some Tontons Macoutes, Duvalier's political police, were hidden.

One of the former chiefs of the Macoutes, Valcius Estinavalk, received EFE correspondents at his home, which was crowded with a score of government supporters. Three Macoutes with Israeli-made Gallil rifles followed Estinavalk around the house until he sat down at a table. "I must look for an honorable way out. I know if I or any of my men fire a shot, we will all die," he admitted in a brief statement.

Another Macoutes chief, Lionel Willie, defended his residence from 1400 until 2200 on Saturday. The home is located near John Brown Avenue. Lionel Willie's men helped him defend his home. This morning the Army sent more rounds to the troops who had orders to arrest him and seize his weapons.

The battle between the soldiers and the Macoutes, whom the people want to lynch for the abuses committed during the 28 years of the Duvalier regime, which ended last Friday with the fall of former President for Life Jean-Claude Duvalier, "Baby Doc," continues and is becoming increasingly violent.

According to observers, the 1400 to 0600 curfew continued until at least Wednesday. The country is cut off by land, sea, and air, although eight light planes loaded with newsmen landed today at the Port-au-Prince International Airport from the United States.

EFE learned that some businessmen left the country over the weekend, and others are preparing to leave with their families in the next few days.

A telex from New York today announced the formation of a public welfare government in exile headed by Dr Raphael Bizan.

In the announcement, the public welfare government charged that "according to information received, over 1,000 persons were killed last night (Friday night) after the curfew" decreed for the first time on 31 January.

DISSIDENT DEMANDS DUVALIER EXTRADITION

AU071544 Paris AFP in English 1532 GMT 7 Feb 86

[Text] Paris, Feb 7 (AFP) -- Future Haitian authorities will demand the extradition of President Jean-Claude Duvalier from any country which grants him asylum, a leading Haitian dissident said here today.

Duly Brutus, Paris-based representative of the Haitian Union of Patriotic and Democratic Forces, said in an interview with Agence France-Presse that Mr. Duvalier must face the Haitian people for his "crimes."

The Duvaliers, he maintained, were responsible for 40,000 deaths during their 28 years of rule in the improverished, French-speaking Caribbean island state.

Mr. Brutus said the interim five-man civilian-military junta which had taken power in Port-au-Prince should stay in place for two weeks to one month before yielding to a broad-based civilian coalition government.

All factions of the "responsible" opposition were currently carrying out negotiations on a government program taking into account the demands of all walks of life, he said.

Mr. Brutus declined to say where the talks were taking place, saying only, "somewhere in the world."

He expressed satisfaction with the Haitian policy of the French Government under President Francois Mitterrand.

About 10,000 Haitians currently live in France, most of them in exile for more than 10 years.

Highly politicized, they are also greatly divided, and the dissident leader said that about a third of them may return to Haiti in the near future.

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CONTADORA TELLS U.S. 'TO STOP' CONTRA AID

PA111456 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 11 Feb 86

[Text] Bogota -- Latin America has told the United States to stop its aid to the contras as part of the negotiated political solution for Central America on which the parties agree. This is the result of the dialogue held by the four Contadora Group foreign ministers and four Support Group foreign ministers with Secretary of State George Shultz. However, Mr Shultz' position was not clear, Colombian Foreign Minister Augusto Ramirez Ocampo (?said) in a press conference in Washington today. The ministers will soon be traveling to Havana to talk with Cuban President Fidel Castro.

MINISTERS SIGN HUMAN RIGHTS CONVENTION

FL112136 Bridgetown CANA in English 1450 GMT 11 Feb 86

[Text] Washington, Feb 11, CANA -- The foreign ministers of Argentina, Mexico, and Panama have signed an inter-American convention aimed at eliminating torture in the Western Hemisphere.

This convention is a new and major step toward the full international regulation and observance of human rights in our region, said OAS Secretary General Joao Clemente Baena Soares yesterday as he welcomed the ministers who were joined by their colleagues from Brazil, Colombia, Uruguay, and Venezuela for the ceremony.

The ministers were attending a meeting of the Contadora peace initiative and its support group with U.S. Secretary of State George P. Shultz and took the opportunity to visit the OAS for the signing ceremony.

Baena Soares told them that this convention will achieve its highest success as soon as full observance of human rights in our countries makes it unnecessary.

At this time in which Latin America and the Caribbean are going through tremendous difficulty in their economies and development processes, more than ever before we need to protect and strengthen the rebirth of democracy in our region.

Baena Soares told the ministers that the ceremony will not only contribute to reaffirm the institutional presence of the OAS in inter-American relations, but it will also facilitate the dialogue which is essential to achieve the common purposes described in our charter.

Dante Caputo, the minister of foreign affairs of Argentina, said the new inter-American convention has profound significance.

He explained that this signing ceremony had such a profound meaning for Argentina because in doing so it wishes to reaffirm beyond any doubt the rejection of the Argentine people and government to this abhorrent and shameful practice which cannot be justified under any circumstance whatsoever.

Caputo said that his country wished that from now on our America will be freed from such a disgrace and that at no time in the future we will have to suffer the painful process of knowing that there are governments that directly or indirectly make use of torture.

The convention to prevent and punish torture has been signed now by Argentina, Bolivia, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela. It will enter into force on the 30th day following the date of deposit of the second instrument of ratification.

It declares torture an offense against human dignity and sets in motion a process under which countries commit themselves to ban it tog[illegible]with other inhuman punishments.

OAS EMPHASIZES TOURISM'S EXPANDING ROLE

FL112106 Bridgetown CANA in English 1435 GMT 11 Feb 86

[Excerpt] Washington, Feb 11, CANA -- Tourism development will be one of the high priority areas for technical cooperation by the Organization of American States (OAS) during this and following years, it was announced today.

Given the magnitude of economic needs confronting the OAS member countries in this critical period, tourism's expanding role as an important source of foreign exchange, tax revenue, and employment, will be emphasized more than ever before and the organization intends to respond to those needs, said OAS Secretary General Joao Clemente Baena Soares.

Baena Soares announced the organization's participation next May in a meeting of the Confederation of Tourist Organizations of Latin America (COTAL).

In light of the great importance of the tourist industry as a bolster to the economies of the countries of Latin America and the Caribbean, the OAS accords special significance to the upcoming meeting of COTAL, he said.

The permanent mission of Brazil to the OAS announced that the 29th congress of COTAL will be held in the Brazilian cities of Recife and Olinda May 11-17 and that congress organizers expect participation of 2,500 officials, industry specialists and journalists from the Western Hemisphere and from around the world.

GERMAN LOPEZ APPOINTED DEFENSE MINISTER

PY112155 Buenos Aires TELAM in Spanish 2127 GMT 11 Feb 86

[Text] Buenos Aires, 11 Feb (TELAM) -- President Raul Alfonsin has appointed German Lopez as the new defense minister replacing Roque Carranza, who died last Saturday. Deputy Carlos Becerra was appointed secretary general of the presidency, replacing German Lopez. These announcements were made today at 1815 at Government House by presidential spokesman Jose Ignacio Lopez.

Career Viewed

PY120238 Buenos Aires TELAM in Spanish 0004 GMT 12 Feb 86

[Text] Buenos Aires, 11 Feb (TELAM) -- German Osvaldo Lopez, the new defense minister, has a long political career, both as a member of his party and in government posts. Lopez was born in Buenos Aires on 30 November 1918, is married and has five children. Although he is a chemist, he is also a well known labor affairs expert. Before receiving his B.S. in chemistry from La Plata University in 1948, he held the posts of teaching department secretary at the Argentine Labor University (1943) and president of the Argentine University Federation (1945-46). He was also a member of the University Board and of the Democratic Coordination Board.

Since his youth, Lopez has identified himself with the most progressive sectors of the Radical Party, particularly with leaders like Arturo Illia and Raul Alfonsin, with whom he cooperated actively. During Illia's presidency, between 1963 and 1966, Lopez was labor under secretary. As such, he represented the government on the Wage Council in 1965 and 1966. He held the post of minister of social affairs in Salta Province in 1955, and was designated national director of labor and social action 1 year later. In 1958 he was appointed member of the Academic Council of the School of Chemistry and of the Superior Council of La Plata University. He was a member of the Radical Civic Union's national convention from 1957 to 1983. Lopez has been the secretary general of the Presidency since the inauguration of the current constitutional government.

MID LEADER CALBO SUPPORTS CGT PROPOSAL

PY120111 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1643 GMT 11 Feb 86

[Text] Buenos Aires, 11 Feb (NA) -- Rodolfo Calvo, head of the Integration and Development Movement (MID), today supported the "Alternative Economic Program proposed by the General Confederation of Labor (CGT)." At the same time he added that the MID "will attend the congress for national unity called by the CGT." Top authorities of the MID met today for 2 hours with CGT head Saul Ubaldini to study various aspects of the 26-item economic program proposed by the CGT. Also present at the meeting were CGT Vice President Rogelio Crespo, Hector Dauret, Deputy Carlos Zaffore, and the secretaries of the National Committee Jose Luis Koll and Luis Acosta.

After the meeting a document, signed by the CGT and the MID, was released. This document points out "their absolute unanimity regarding the serious mistakes of the current socioeconomic policy, which has affected wages and national production in order to service commitments to the IMF, and giving their entire support to the activities carried out by the CGT since the national general stoppage staged on 24 January." They agree, moreover, that the CGT's actions "speak not only for sectorial demands but also for all other problems affecting the various areas of national life, because the crisis harms not only workers but also businessmen, professionals, the national culture, the youth, and all Argentine families."

According to the document, "it was also agreed that union-managed benefits program belong to the union associations and that the government's proposal for national health insurance must be rejected." The document also adds that "general agreements" have been reached regarding "the 26-item program to save the country from its difficult problems," and also agreed that "it is necessary to define a policy that is entirely nationalistic." Regarding the foreign debt, "it was deemed a priority to adopt an economic activation policy and an overall program of national development to which the foreign debt should be subordinated, with congress determining how this policy will be implemented." Finally, it was established that "continued dialogue with the intermediate social organizations with the communication channels open will encourage the strengthening of democracy."

BRIEFS

AIR FORCE APPOINMENTS -- Buenos Aires, 5 Feb (NA) -- Brigadier General Ivan Delmar Cotelo today took over as training commander of the Air Force School in Cordoba. Meanwhile, Air Force Commander for Naval Operations Juan Rodoni installed Colonel Juan Tristan Laskowski as the new commander of the Fifth Air Brigade headquartered in Villa Reynolds, San Luis and Lorenzo Juan Anastasio will take over tomorrow as the new commander of the 10th Air Brigade headquartered in Rio Gallegos. [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2246 GMT 11 Feb 86 PY]

SOCIALIST CONFEDERATION LEADERS -- During a plenary meeting, the Argentine Socialist Confederation [CSA] has confirmed Alicia Moreau de Justo as CSA president and Oscar Palmeiro as CSA secretary general. [Excerpt] [Buenos Aires Domestic Service in Spanish 1600 GMT 11 Feb 86 PY]

FINANCE MINISTRY REPORT DETAILS PUBLIC DEBT

PY111348 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Feb 86 p 22

[Text] The public sector's liquid debt reached the 779.1 trillion cruzeiro mark in 1985, representing a growth of 3.7 percent above inflation. The total liquid debt of the Brazilian state today amounts to 1 quadrillion cruzeiros, of which 459.3 trillion cruzeiros represent the internal debt, and 639.4 trillion cruzeiros -- or $60.9 billion -- constitute the foreign debt. Those figures were released yesterday by Finance Minister Dilson Funaro, and were included in a 21-page summary of measures for the improvement of the federal financial administration that will be implemented this year for effective control of public accounts.

Of the 459.3 trillion cruzeiros internal debt, which had a real (above inflation) increase of 12.5 percent, the central government is responsible for 264 trillion cruzeiros. This debt increased 56 percent, and it is basically a debt for the liquid sale of securities to the public. The state and municipal government now have an internal debt of 96.9 trillion cruzeiros, having increased 7.8 percent in real terms. The debt with the financial system increased 74.6 trillion, despite all the government's efforts to maintain the expenditures of state and municipal administrations under control, because their expenditures are the ones that pressure the public deficit the most.

In 1985, the liquid debt of state-owned enterprises decreased 5.5 percent in real terms. It went from 41.4 trillion cruzeiros to 130.8 trillion cruzeiros. [sentence as published] With the national financial system (excluding the official banks), the state-run companies carry a debt of 135 trillion cruzeiros, and with the suppliers and subcontractors, the total reaches 4.9 trillion cruzeiros. However, since they have a portfolio worth 9.4 trillion, the net debt of the state-owned enterprises is actually 130 trillion cruzeiros.

The social security ministry has a good financial performance. Its debt with the national financial sector is only 270 billion cruzeiros, and carries a portfolio of papers worth 6.5 trillion cruzeiros. Its internal debt is distributed among funds and programs, decentralized agencies, and debit and credits of the Bank of Brazil and the Central Bank.

The total liquid external debt of the non-financial public sector reached 79.5 billion cruzeiros in December 1985, according to preliminary data from the Central Bank. This is to say that it has increased by only $177 million. In economic terms, the government believes that the important debit is the liquid external debt of the public sector, which amounts to $60.9 billion or 636.4 trillion cruzeiros.

The registered external debt of the public sector jumped from $70.5 billion in December 1984 to $72 billion in December 1985. The federal government is responsible for a debt of $13.6 billion, while the state and municipal governments are responsible for a debt of $3.9 billion, The decentralized agencies, the state-run enterprises, and the mixed-economy organizations are responsible for the largest slice of the public foreign debt: $54.4 billion.

The external debt not registered by the public sector, basically related to commercial credit lines, declined from $3.4 billion in 1984 to $3 billion in 1985. The private sector debt registered in foreign currency in the Bank of Brazil today represents a debit of $4.5 billion.

To come up with a liquid external debt of $60.9 billion, the Finance Ministry considered as credit in the country's favor the international reserves amounting to $12.6 billion plus $5.5 billion in loans financed by the public financial sector. Examples are the BNDES [National Economic and Social Development Banks]. According to the Finance Ministry's report, the liquid external debt declined $322 million in 1985.

COMMENTARY COMMENDS REAGAN'S STATESMANSHIP

PY110017 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 86 p 3

[From the "Notes and Information" page: "The State of the Union Address Reflects the Philosophy of the United States"]

[Excerpts] As he grows older -- yesterday he turned 75 -- and accepts the ever-heavier responsibilities of his second term in office, Ronald Reagan asserts, with increasing force and persuasiveness, his true statesmanlike leadership over U.S. society and the rest of the world, whether ally or adversary of the United States. His "State of the Union Address," more than an excellent piece of rhetoric, is a testimonial to the political philosophy of the United States, which is the reason for and the source of the greatness and prosperity of the United States and even more of its recovery from the crisis it went through in the 1970s. In the address he delivered the day before yesterday, President Reagan called on the original and fundamental values of his nation, anchored in the value of the individual, the family, and the community.

The limitations of this column's space keeps us from analyzing the achievements and successes of President Reagan, and also from analyzing the programs for the future contained in his "State of the Union Address." What really impresses us, in addition to the eloquent expression of U.S. political philosophy, is the contagious patriotism of the President of the United States, a sentiment whose absence, compounded with the loss of prestige, characterized the decade of the 1970s, which was punctuated by syndromes and humilations both at home and abroad. Democracy cannot be identified with false pacifism. Reagan was clear and decisive: "To keep the United States strong, free, and at peace is not only the responsibility of the Federal Government but also its No 1 responsibility."

Reagan's great virtue, besides his personal charm and communication skills, is his perseverence in his purpose. Considering that U.S. society is realigning itself in favor of the Republicans, and it seems that it will continue this trend, according to the conclusions of a political science symposium that took place last August, the United States will continue with its space program during Reagan's second term. The explosion of the Challenger -- an English word that means daring -- only redoubled the U.S. will to increase the number of shuttle flights into space, a dream that, like that of Icarus, defies the tenacity of the Anglo-Saxons. The building of the space shield, a defensive weapon for peace that shoots down rockets but does not extinguish lives, will receive "high-priority" treatment in the national budget. Not even Gorbachev's threats and propaganda, or criticism by the media and U.S. pacifists will have the magic power of bending Ronald Reagan's will. He also won the "Euromissiles" crisis. The Kremlin may engage in peaceful competition with the United States in the field of the space shield -- Gorbachev has received this proposal -- but Reagan will not be intimidated by the threat of the superpowerful offensive Soviet rockets.

RADICAL PARTY LEADER ON RAPPROCHEMENT WITH MDP

PY110048 Santiago Radio Chilena in Spanish 1630 GMT 10 Feb 86

[Excerpts] Ricardo Navarrete, secretary general of the Radical Party [PR], has stated that the agenda for the talks with the Popular Democratic Movement [MDP] is nearly ready. He said that the main objective is to reach an agreement on a plan for social mobilization. He also spoke about the possibility of reaching a more extensive political agreement with the MDP. He said that his party would take with all the opposition political sectors about the aspects on which concrete agreements may be reached.

[Begin Navarrete recording] We are only trying to stress the points on which we might be able to agree. Of course there are still important political and conceptual differences between the MDP and the Democratic Alliance, and also between the PR and the MDP. Our national needs, however, force us to act with more realism and pragmatism. We think we are capable of deepening the aspects on which we agree, such as attaining democracy and understanding each other to operate together. This unity certainly responds to the wishes of the Chilean population. [end recording]

However, the MDP not only wishes to reach an agreement for social mobilization but also for a political agreement to form a transition government to full democracy. Will the PR agree to such a political agreement?

[Begin Navarrete recording] On this aspect there are still differences among our party, the MDP, and other political parties. What we must do is start an agreement process on matters on which it is easier to agree. This will serve as a beginning and a first stage in minimizing the differences within the democratic opposition. Steps will then be taken toward a political program for transition. [end recording] We are willing to participate in all the debates that will allow us to reach an agreement, Navarrete said.

CAUCE Interview

PY111545 Santiago CAUCE in Spanish 3-9 Feb 86 pp 17 - 20

[Interview with Ricardo Navarrete Betanzo, secretary general of the Radical Party, PR, by journalist Eugenio Gonzalez -- date and place not given]

[Excerpts] [Gonzalez] What are the basic differences between the PR at the time of the Popular Unity and the PR now?

[Navarrete] The first period was determined by the historic and scoial situation of the country. In 1973 Chile was going through a process of tensions, caused by the changes seeking to build a new and different society. One sector of the population opposed the changes and finally the tension created by political confrontation broke the democratic institutions. We are now going through a different historical and social period, and we are trying to re-establish the democratic system. We are making efforts to lead the party back to its political principles and concepts. The PR has the duty and obligation to become once again the force that allowed the policy of consensus practices for many years. In other words, to occupy that large sector of the political spectrum and to become the representative of the country's great majorities.

[Gonzalez] Both the Democratic Alliance and the National Accord are at a crossroads: negotiation advocated by the right and mobilization advocated by the left. What is your party's position?

[Navarrete] One of the great shortcomings of the democratic opposition has been the failure to establish a defined strategy: mobilization or negotiation. We have not taken appropriate steps to agree on either one. Nor have we been able to clearly and precisely define that the strategy is mobilization to force negotiations. The strategy cannot be anything other than social mobilization, political pressure, and mass struggle which, based on national agreement and nonviolence, would allow the balance of power needed to negotiate the transfer of political power.

[Gonzalez] Meanwhile...Pinochet is winning.

[Navarrete] Now the dictatorship is maintaining a position of force and unquestionably dominating the opposition. That relationship must necessarily change. The democratic parties must attain greater dominance and authority than we now have in order to reach negotiations on the terms of the transfer of power.

[Gonzalez] Who should be involved in this task?

[Navarrete] First of all, all the parties that make up the AD [Democratic Alliance]. However, this is also an effort that must be made by all Chileans who want to put an end to this disgraceful regime which has had sad consequences for the destiny of the country. Nothing should stand in the way of the strategy's objectives, that is, a broad peaceful social mobilization with the prospect of negotiations with the Armed Forces.

[Gonzalez] The PC [Communist Party] also advocates social mobilization. Is the PR willing to join the PC?

[Navarrete] The PR advocates a policy of unity without exclusions. We are willing to make an agreement with all those who want the re-establishment of democracy which must be peacefully developed through social mobilization. The Chilean people do not want violence because violence helps Pinochet and strenghens his regime. This has been proven by experience through the events we have experienced in the last 12 years. We do not have any problem about joining any group, including the PC, that agrees with these principles. However, so far what we have heard from the PC is a position to carry out violent actions. This is the difference we cannot deny because it is part of the political reality.

[Gonzalez] If Pinochet proposes a designated congress in the next few months, would you and your party participate in it?

[Navarrete] Absolutely not. We are not going to particpate in any designated congress nor are we going to support measures that seek to distort the legitimate right of the people to sovereignly elect their authorities. Any plebiscite that is intended to partially or capriciously change this Constitution, including new dilatory elements that will cause confusion for the full establishment of democracy, will be categorically and resolutely rejected by the PR.

[Gonzalez] I want to quote Carlos Morales: "Our competition in Chile will always be the Christian Democratic Party [DC], and therefore, I do not like that Alliance or the National Accord." Do you agree with that assessment of the DC?

[Navarrete] Absolutely not. We could never accept that judgment because, along with the DC, we are members of the Alliance and of the National Accord. What happens is that those Chileans living in exile have a different view on the national political process and this produces mistaken appraisals of the situation. Through a misunderstanding, they have made a very unjust and mistaken appraisal. The DC is openly opposed to the regime, it has significant power in the country, and constitutes an important link with democracy and freedom. We appreciate that behavior and that position.

[Gonzalez] Then can we say that there is no connection between the PR in exile and the PR inside the country?

[Navarrete] I had the opportunity of meeting not long ago with most radical groups in exile, especially those of Europe. They maintain an attitude of absolute loyalty and discipline to the PR political proposals for the Chilean political process. I could not say, therefore, based on remarks made by a militant -- regardless of how important he may be, as in the case of Mr Carlos Morales -- that they represent the position of the remaining radicals in exile.

[Gonzalez] Do I understand that the PR is supporting a coalition of parties to face an election?

[Navarrete] The PR is the most representative party of socialist democratic thinking in Chile. But we are not the only one and we have that clearly in mind. There are movements of Christian and renewed Marxist origin, groups that have emerged from the PR, with which it is perfectly possible and necessary to reach an agreement to face the political future with a responsible program.

[Gonzalez] Are we, then, watching the birth of a new Popular Unity?

[Navarrete] No. The Popular Unity represents an experience of the past. It has fulfilled a role and it is impossible to bring it back. Coalitions, political organizations, and the alliances of parties always arise from specific historical situations. The Popular Unity has responded to a situation and has fulfilled its role. I am referring to an ideal, ideological, programmatic, and political unity, among which we maintain a common line of thinking. Chile needs this. To the extent that we can make up a great force of democratic socialism, we are going to help restore democracy and a feasible and reasonable process, an objective process of change that will help us increase the standard of living of our people.

PCCH LEADER DISCUSSES GOALS, STRATEGIES

PA111757 Mexico City EXCELSIOR in Spanish 5 Feb 86 pp 5, 30 A, 32 A

[Report on interview with PCCh leader Pedro Correa by EXCELSIOR reporter Luis Suarez in Stockholm; quotation marks as published -- date not given]

[Excerpts] Stockholm 4 Feb -- A clandestine leader of the Communist Party of Chile [PCCh] has described a national revolt as an uprising of the masses "involving the entire population, the various social and political forces, and, as much as possible, the Chilean Armed Forces as the only way to put an end to Pinochet's regime because, he said, "Pinochet won't leave willingly; we will have to throw him out."

This strategy, which as we all know is not shared by more moderate opposition forces, may prompt a confrontation with the dictatorship within the next few months. Pedro Correa made these remarks to us, but we know that that is not his real name. It is a name that is well-known in Chile as that of a member of the clandestine leadership of the PCCh. Correa is on a quick mission abroad at a time when his organization is in the 64th year of a hazardous existence, ranging in status from a legitimate political force to a militant underground.

There are still approximately 5,000 Chileans in Sweden. They have enjoyed uninterrupted asylum in that country, so to hear Spanish with a South American accent is not strange in Stockholm. It is much less strange that these thousands of Chileans carry out activities to support forces inside Chile which, through various political actions -- including armed and violent ones such as that carried out by the "Manuel Rodriguez Patriotic Front" -- want to make 1986 the year when Pinochet will be ousted.

Correa and I don't have much time to discuss the issues posed by the situation, but I do have time to point out to him that the rebellion policy of his party is not accepted by other forces which view it as too optimistic in view of the strength that Pinochet may still have. In talks about hopes for changes, one usually discusses undesirable conditions. Are they present in Chile? The clandestine leader responded:

"The country is living in these undesirable conditions. Our conclusion that the best path is confrontation stems from the degree of misery and desperation of a people punished by repression and a brutal economic policy imposed by the military regime. Our conclusions stem from the fact that it is impossible for thing to continue as they have until now. Our conclusion stems from the fighting level reached by the masses."

Do you want a violent and revolutionary confrontation, we asked again.

"We think," the man who hides behind the name of Pedro Correa answers, "that our country is going through a revolutionary situation in which the oppressed masses cannot withstand any more submission. They are determined to put an end to it as soon as possible, and the ruling clique, which has deteriorated considerably, is in no condition to put up with this much longer. Contradictions within the Armed Forces have become public. There are grave and insurmountable conflicts among the tyranny's various intelligence and repressive services. They accuse one another and turn one another in. The disagreements within the military junta are well-known. Pinochet becomes increasingly isolated as the days go by. There is conspiracy at the garrisons. In view of this, to even think of continuing to propose 'dialogues' to Pinochet is an unacceptable reconciliation that borders on treason to the nation's interests."

What sort of confrontation would occur and when, if it is possible to set a date for these matters. The clandestine leader undoubtedly was very optimistic within his objective point of view when he said:

"We are sure that it will happen soon. The year 1986 must be the year in which the dictatorship of Pinochet must end. We foresee that it can happen in a matter of months if we work well with the opposition. The uprising of the masses must involve all the people. the various social and political forces, and , as much as possible, sectors of the Armed Forces. We feel that it is possible to have a widespread rebellion that results in the country's paralyzation. A few days ago, Christian Democratic leader Andres Zaldivar said that the democratic solution is civil disobedience, and announced a stoppage to last an indefinite period of time. We agree with him."

With the Christian Democrat?

"It is because that idea stems from a similar point of view: Pinochet won't leave willingly, we must throw him out. We believe that the industrial workers. proletariat, students, women, the middle class, and peasants can and are willing to participate in uprisings in the main urban centers. This mobilization is and will be accompanied by effective military blows that will help in the collapse of the dictatorial apparatus. Our optimism springs from reality and our position is in line with this reality.

"What we feel is naive and unreal is to imagine that the democratic solution for Chile will come from the U.S. Government. I am pointing this out because there is more than one opposition member who dreams that State Department officials will resolve the country's problem."

We recalled that according to the news, Harry Barnes, the new U.S. ambassador in Santiago, is very active. He meets with political leaders on a daily basis. He is even active within the labor sector. Isn't this a symptom of a participation in efforts to replace Pinochet and the dictatorship? To this, the mysterious man responded:

"The U.S. intervention in Chilean politics is, in fact, barefaced. But its plan is not our people's plan. Reagan's government only seeks to prolong fascism in office and it has realized that Pinochet is no longer useful in this path; therefore, it will try to get rid of him."

With Pinochet's consent?

"One must ask this question: Will Pinochet agree to retire without putting up a fight? And retire where? Things are not easy for the White House, especially because it knows perfectly well the strength that the Chilean labor and popular movements have, and it suspects that the masses are not going to accept just any change but a solution that permits the establishment of a democracy. In the face of the fear that democratization may become uncontrollable, it would rather keep Pinochet as long as possible while it conducts maneuvers to gain ground within the opposition."

Within the violent actions against the Chilean dictatorship, the name of the "Manuel Rodriguez Patriotic Front" [FPMR] appeared slightly over 1 year ago. The group is named after the Chilean who fought for independence from Spain. This front has claimed responsibility for several violent actions and, in the Chilean struggle, which has been traditionally political, the names of commanders and men with machineguns have appeared. It has been said that the "Manuel Rodriguez Patriotic Front" is the PCCh's armed branch. The answer is no.

"As we have repeatedly stated, the 'Manuel Rodriguez Patriotic Front' is not our party's armed branch. In any case, it has announced that it is the people's armed branch, or it has said that this is its wish. We do have good relations with this front, and we view its actions as a real contribution to victory. There are communists who are members of that organization, but there are also people from other parties and people without a party. The PCCh feels that the FPMR policy is just and has praised its successful operations. It is a factor in Chile's real politics today, and no one can ignore this. It has an effective presence that is increasing."

Couldn't you run the risk of being called terrorists because of their support?

"In Chile, the only terrorist is the government. Violence as an issue has been cleverly used by the regime to try to divide opposition groups. Unfortunately, many have fallen into the trap, most of the time because they like to fall into that and other anticommunist traps.

BRIEFS

NEW SUBMARINE FORCE COMMANDER -- Talcahuano -- Rear Admiral Eduardo Alvayay Fuentes, commander of the Second Naval District, yesterday took the oath as the new commander of the submarine force. [Summary] [Santiago EL MERCURIO in Spanish 16 Jan 86 p C 5 PY]

MINISTER REITERATES SUPPORT FOR CANCUN DECLARATION

PA111646 Quito Voz de los Andes in Spanish 1130 GMT 10 Feb 86

[Text] The Ecuadoran Government has expressed its agreement with the fundamental principles of the joint declaration issued by the Mexican and Venezuelan presidents in Cancun, which calls on the oil-producing countries to act in unison in view of the drop in oil prices. The position was announced in an official communique denying contradictory reports in that regard. Ecuadoran Energy Minister Javier Espinosa had the following to say on the subject:

[Begin recording] [Espinosa] The government issued the official communique in this regard to deny mistaken reports abroad that may have reflected a complete misunderstanding of our country's position. The Cancun declaration involves a call to members and nonmembers of the organization [not further identified] to engage in dialogue. It also urges that the markets on which Ecuador trades -- and thus the markets for its products -- be defended and that these markets be stabilized, which is something we have advocated for a long time. Logically, the communique issued by our government and the Cancun declaration warn that the export sector of our economy may be affected, hampering our ability to fulfill our foreign debt commitments and to import the items required for our country's development.

[First unidentified reporter] What type of solution will be sought if a meeting is held with [Venezuelan President Jaime] Lusinchi?

[Espinosa] Again, this is based on a report abroad. We have no official confirmation that this will occur. Our government will receive him with open arms and, logically, serious talks will be held because we have many common interests.

[Second unidentified reporter] Doesn't Ecuador need to [words indistinct] Mexico and the United States?

[Espinosa] During the last few weeks we have been in constant direct contact with these countries and other member-countries of the organization because we have to exchange views on the shifts in market prices. [end recording]

EDUCATORS' MATERIALS SEIZED UPON RETURN FROM CUBA

PA090346 Madrid EFE in Spanish 2346 GMT 8 Feb 86

[Text] Quito, 8 Feb (EFE) -- Jose Moncada, rector of the Central University of Ecuador, reported in a communique published today that several university professors who attended an international education seminar in Cuba had their books and notes seized when they returned to Quito. Moncada said armed military personnel, who were carrying out superior orders, took books and notes from the professors. Moncada, among the 140 Ecuadoran educators who were returning from Cuba, said that more than 2,500 educators from every country in the Americas attended the meeting in Havana, where they discussed the problems and advances in education throughout the American continent.

When they returned to Ecuador, the Ecuadoran delegation was surrounded by a group of soldiers as soon as they left the plane. The soldiers took the books and scientific material that the delegation brought back from Havana.

"We do not know what they have done with the valuable material they seized," said Moncada, while adding his protest "to the abuses being committed against science and culture in the country."

FRG DEPUTY SCHAEFER MEETS STROESSNER, OPPOSITION

PY110102 Asuncion ULTIMA HORA in Spanish 11 Feb 86 p 10

[Excerpts] FRG Free Democratic Party Deputy Helmut Schaefer, who is visiting our country, this morning met President General Alfredo Stroessner, Supreme Court President Dr Luis Maria Argana, and Dr J. Augusto Saldivar, president of the Chamber of Deputies. On 10 February he met National Accord Leaders and laid a wreath at the Liberal Party Mausoleum. After visiting Itaipu, he will return to his country tomorrow via Brazil.

The objective of Schaefer's visit is to get first-hand information on our country's civic and human rights record. Schaefer, who is close to FRG Foreign Minister Hans Dietrich Genscher, is the congressional spokesman for foreign affairs. The visitor has already met Colorado Party President Dr Juan Ramon Chaves, with whom he addressed political, commerical, and intellectual issues.

Schaefer also met yesterday the representatives of National Accord parties at the People's House. After the meeting, Waldino Lovera said: "I want to express our great satisfaction with the meeting we had with this important representative of the FRG Congress at the Accord's headquarters. The FRG deputy, with whom we made a thorough analysis of our country's political and socioeconomic problems, told us the FRG Congress' opinion of the Paraguayan situation. He is now aware of the initiatives put forward by the National Accord, which expects that the free world will morally support our country."

Lovera added that "Schaefer will gather information from both sides in order to have an impartial and realistic view of the Paraguayan political situation." After meeting with President Alfredo Stroessner for over half an hour this morning, Schaefer said that Paraguayan development must be coupled with progress toward democracy. The meeting, held at the presidential office in the Lopez Palace, was also attended by the FRG charge d'affaires. Mrs Beatriz Caballero acted as interpreter.

"The objective of my visit is to become acquainted with the affairs of Latin American countries, and this is my first visit to Uruguay, Argentina, and Paraguay," the FRG deputy said. He added that "only by living in a country is it possible to know it." He stressed that he met the president at the latter's request and that "many questions were answered and several views exchanged during the meeting."

He added that "Paraguayan development must be coupled with progress toward democracy. This process will develop normally, by itself. We have to help Latin American countries achieve development. This will be accomplished only if those countries work together coordinatedly, systematically, and democratically. I believe regional cooperation is feasible. We believe that it should be a coordinated, regional action, and that it will facilitate the work undertaken with the European Community," Schaefer concluded.

CHILEAN MAGAZINE INTERVIEWS MOPOCO LEADER LOVERA

PY110128 Santiago CAUCE in Spanish 3-9 Feb 86 pp 28, 29

["Excerpts" of interview granted by Mopoco [Colorado Popular Movement] leader Valdino Ramon Lovera to CAUCE reporter Alejandro Cabrera in Asuncion -- date not given]

[Excerpt] [Cabrera]: Is the Colorado Party the majority?

[Lovera] It in fact has a large mass of followers, which we believe is in majority. But at this time the progovernment leaders of the party do not represent the large majority repressed by the dictatorship. In the present circumstances, the party masses live in internal exile, practically besieged by the dreadful and implacable repression of the dictatorship.

[Cabrera] But Stroessner comes out with the large majority of votes in the re-elections...

[Lovera] They are contrived and, fictitious, as always under autocratic governments. Everything is manipulated, beginning with the electoral law. How could there be clean vote counts when no opposition group or party can appoint representatives to observe them? For his six re-elections, Stroessner has lifted the state of siege only on election day. What electoral campaign can be conducted under a state of siege?

[Cabrera] But all that is done under the rules of a Constitution and is, therefore, legal...

[Lovera] Stroessner dictated the Constitution in 1967. That Constitution established the possibility of a single re-election, but when the end of his mandate drew near, the dictator saw to it that the Constitution was reformed to allow him be elected as many times as he wanted...

[Cabrera] And the Congress?

[Lovera] It is artfully manipulated by Stroessner. The majority of the congressional seats are occupied by subservient followers of the dictator. These individuals are simple spokesmen for the tyrant, and do nothing but support, without any objection whatsoever, the bills Stroessner dictates.

[Cabrera] Where does the power of Stroessner come from then?

[Lovera] The military support is fundamental. But yet more important is economic support. The dictator receives financial aid from abroad, from South Africa, from Taiwan, and from obscure organizations like the Moon sect. Inside the country, money can be made through smuggling, drug trafficking, and graft. All this makes the dictator powerful by corrupting all sectors of the civilian and military administration.

[Cabrera] But why do the Paraguayan people, well known for their valor, tolerate this situation?

[Lovera] A people who have withstood 30 years of institutionalized violence must feel the effects. The rule of silence and fear prevails here.

When someone learns about some injustice committed by the regime, everybody immediately advises him to leave it alone. We have put up with persecution, torture, exile, and all kinds of serious human rights violations. Naturally, in these conditions, the people have been affected. Moreover, we have been surrounded by a curtain of silence. The military dictatorships of Chile, Argentina, Uruguay, Peru, Brazil, and Bolivia have for many years constituted some sort of Sword International and concealed what was happening in Paraguay. Likewise, the dictator has mounted a gigantic internal propaganda machine that systematically hides the truth from Paraguayans...

[Cabrera] But wouldn't some authorities be concerned about what is happening...

[Lovera] I doubt it. The Armed Forces are tied to the famous doctrine of national security and, based on that, any person or group that demands a salary readjustment is branded as "subversive," and, therefore, an "enemy of the country." Corruption, as I said, is widespread. Right now, a fraud in foreign exchange on the order of $1 billion is being investigated. This figure is half of Paraguay's foreign debt. Members of the Armed Forces, about 50 businessmen, and other people are involved in this fraud. When Stroessner came to power, most of the country's wealth was in the hands of cattle breeders. Now it is in the hands of generals. All this is connected with smuggling on a large scale, with drug trafficking, and with graft. This is, as I told you, the dictator's base of support.

[Cabrera] Is the succession of Stroessner in the short term a hope?

[Lovera] No. The pro-government leadership of the Colorado Party has already proclaimed his re-election in 1988. The only hope is his death, and yet it is not, because I am sure that Stroessner will cook up something so that when he disappears his son will be elected president. His son is a young lieutenant colonel who is being promoted for that post.

[Cabrera] Like Papa Doc did in Haiti?

[Lovera] Exactly the same. The spirit of continuity of Stroessner's servants will ensure that. But all Paraguayans should work together to keep that from happening. We in the Mopoco and other opposition parties are doing this already.

COLORADOS REPLY TO EPISCOPAL CONFERENCE

PY110213 Asuncion LA TARDE in Spanish 6 Feb 86 p 9

["Text" of letter from Juan Ramon Chaves, president of the Colorado Party Executive Board, to Monsignor Ismael Rolon, chairman of the Paraguayan Episcopal Conference -- no date given]

[Text] "I have the pleasure of acknowledging and answering your letter No. 021/86 as follows:

I share the Paraguayan Episcopal Conference's [CEP] desire to cooperate to achieve the fatherland's well-being. I also agree with you that the whole world is experiencing times of uncertainty and concern. The Holy Father, Pope John Paul II, has referred to these times of concern in a few but wise words by stating that the world today needs to recover confidence in individuals and nations.

You may rest assured, Monsignor Rolon, that this has been the permanent concern of the Colorado Party, in its capacity as an association of free men who uphold democracy, and that in this regard it identifies itself with the sustained effort of his excellency, President Alfredo Stroessner, to restore and consolidate peace, to promote a harmonious coexistence, to strengthen freedom based on respect for law, and to see that human rights are truly respected.

The most eloquent and unquestionable testimony of this effort is the legitimate national Constitution that has ruled the country since 25 August 1967 and is the result of a dialogue among genuine representatives of the people, that is, the 120 delegates of the constituent assembly that for 3 months openly discussed the ideas, principles, doctrines, institutions and provisions that were included in the Constitution. This Constitution is therefore the true and sound basis for the coexistence of the Paraguayan people, for regulating the behavior of the people and for jointly achieving the common good, without hesitation or deviation.

The Colorado Party has provided the necessary constitutional and legal tools for democracy to function properly so that the political parties may be the true representatives of the people. In addition to the consolidation of a democratic regime, a vast and rich socioeconomic and cultural development program has been fulfilled. The basic aspects of this process are, undoubtedly, the results of a faithful and true sounding of the desires and aspirations of the people, and of having faithfully determined the common viewpoints of the Paraguayan people, who wanted to overcome the causes of clashes and divisions which in the past threatened the country, plunging it into backwardness and uncertainty.

As you have pointed out, not only the government is responsible for seeking the common good and it should not be expected to carry out this task alone. The political parties, the church, the labor unions, and the productive sectors of the country should feel equally responsible and should see that the law is respected with equal zeal. This is a norm of behavior that does not exclude anybody or recognize any privileges but those that stem from the Constitution, and by which all Paraguayans, without exception, should abide.

Fortunately, in normal situations under the Constitution, with no emergencies to overcome or de facto situations to legalize or amend, everything develops within the framework of the institutions that provide the legitimate tools to preserve and strengthen the fraternal unity of all Paraguayans, living in freedom and with the necessary safeguards, so that the variety of opinions and proposals will not lead to confrontations or divisions that might jeopardize the peace and social development of the nation. We believe everyone is aware of the process of change that has increased the standard of living of the Paraguayan people; however, we want to take this opportunity to mention the Itaipu bilateral enterprise with which Paraguay has solved the serious problem of energy supply for the 21st century. Itaipu has supplied electricity to 200 towns in the interior as part of the development program that covers the entire country and whose effects, beyond material progress, will contribute to the development of the citizens themselves because of their greater participation and the new possibilities and opportunities Paraguay has to offer now.

Because the country is free of the confrontations that have led other countries of the region to bloody fratricidal struggles, we can be far more optimistic than you, Msgr Rolon, have stated. If we have managed to achieve a peaceful and constructive coexistence, in which the great majority of the citizenry contribute with goodwill and capability, it is because the strength of this path guarantees the spreading of those benefits and will condemn the deviated minorities, no matter what reasons they may have, to disappear through isolation if they do not learn to share the sentiments of the majority.

Undoubtedly, the Colorado Party, which I head, has a great responsibility before history, but it is also obvious that it has justified itself before history by legally identifying itself with the tasks of President Stroessner's government, inspired by the ideals, doctrine, and program of our political association which has always represented an effective tool for democracy and the development of Paraguay. The national government and the Colorado Party have chosen the sound path of peace and will not hesitate to do everything necessary to keep the doors open for democratic participation.

This has always been and will continue to be their policy, deeply identified with the honorable roles they have to play in this vigorous process of democratization and civic dialogue that characterizes the institutional normalcy and the political stability of the Republic. This mathematical expression is reflected in the electoral returns and in the national and municipal elections that are held periodically and confirm the absolute majority of the Colorado Party electorate.

This is the wide and direct path for civic dialogue, the scenario for an active civic struggle, the peak for the political coexistence in peace and freedom. The enforcement of the republican institution, putting an end to hesitation and giving continuity to positive events that have changed the mentality of the very people who now seek higher objectives and offering them new expectations, is worthy of praise.

It would be equally praiseworthy and just if the self-righteous press, of which you, Mr Archbishop, must be aware, referred in a more objective and fair manner to the joint effort being made by President Stroessner's government and the Colorado Party to avoid useless provocations, insults, and intransigencies with the purpose of achieving a greater national unity, a more fluid dialogue among Paraguayans, and to try and make those irregular groups who make their political demands outside the law and represent an obstacle for the perfection of democracy, return to the civil path.

The national government and Colorado Party method has yielded the best results and nothing will compel them to place the common good in jeopardy. It is not a matter of weakness or strength, but rather of political maturity not to engage in self-defeating demagoguery that due to the unpunished libertinism of some, neglects that to which others have a right: security and order. During its last session the honorable Colorado Party Governing Board voiced its clear and concrete opinion on the issues mentioned in your letter No. 021/86. I have briefly outlined these opinions in this letter.

Mr Archbishop, I am sure that in this International Year of Peace, when Paraguay awaits the pope's visit, the illustrious visitor will be able to witness the results of peace and democracy as a testimony of our patriotism and Christian devotion. I take this opportunity to greet you and wish you good fortune.

Signed: Pedro Hugo Pena, secretary, and Juan R. Chaves, president

INTERIOR MINISTRY AUTHORIZES OPPOSITION MEETING

PY051527 Asuncion HOY in Spanish 5 Feb 86 p 8

[Excerpt] The Interior Ministry yesterday authorized the Febrerista Revolutionary Party to hold a political meeting at Plaza Italia on 14 February. Sources close to the party have said that the ministry's decision has been welcomed because the request for authorization was submitted long ago.

PRESIDENT GARCIA REJECTS IMF'S DEBT ULTIMATUM

PY111813 Madrid EFE in Spanish 1440 GMT 11 Feb 86

[Text] Lima, 11 Feb (EFE) -- President Alan Garcia has rejected an IMF ultimatum to pay the Peruvian debt -- which amounts to $70 million -- in a 60-day period, and said that such pressures are unacceptable.

The Peruvian president stated that for Peru the period of pressures and tutelage of the international financial organizations has ended.

We will pay, but when Peru decides to do so, Alan Garcia stated, because although the country now has $1,416,000,000 in reserves, without mentioning the reserves in gold and silver, these funds are intended for economic reactivation.

The president reported on the IMF demand in a speech he made last night in Lima, on installing the directors of the Petromar [expansion unknown] enterprise, which has assumed the functions of the U.S. company Belco Petroleum, which had been taking crude oil from the continental shelf north of Peru, and left the country after not reaching new contract agreements with the government. The president reaffirmed that Peru will pay only 10 percent of its exports annually to reduce its debt.

Alan Garcia called the IMF a "colonial ministry" and added that "we will pay our debt when Peru wants to and when it can."

The IMF claims that Peru must pay because we have reserves to do so, the president stated, but those reserves are for purchasing food and medicines for the people.

He asked for the unity of Latin America to face the foreign debt payment problem, because, according to what he said, the debt reflects the historical expression of injustice in the zone.

GARCIA PLANS TO VISIT ARGENTINA 14-16 MARCH

PY111546 Buenos Aires TELAM in Spanish 0302 GMT 11 Feb 86

[Text] Lima, 10 Feb (TELAM) -- Peruvian Ambassador to Argentina Alfonso Grados Bertorini tonight reported that Peruvian President Alan Garcia will pay an official visit to Argentina on 14-16 March. Grados stated at the Government Palace in Lima that the details of Garcia's agenda in Argentina will be drawn up in Buenos Aires together with the Argentine authorities.

INTERIOR MINISTER, AIDES RECEIVE DEATH THREATS

PY111411 Lima Radio del Pacifico in Spanish 1200 GMT 11 Feb 86

[Text] Last night Interior Minister Abel Salinas revealed that he has been receiving death threats. He said that the threats come even over his unlisted phone, a number known by very few people. Some of Salinas' closest aides have also been the target of threats.

WAR MINISTER ON 'NEW' TERRORIST METHODS

PY111313 Paris AFP in Spanish 2359 GMT 10 Feb 86

[Text] Lima, 10 Feb (AFP) -- War Minister General Jorge Flores Torres stated here today that the methods behind the recent terrorist attacks in Lima were completely new, unlike those used by the leftist groups Shining Path or the Tupac Amaru Revolutionary Movement [MRTA].

In declaring the state of emergency in Lima on 7 February, President Alan Garcia stated that a type of professional violence had emerged, unlike that of these two groups. He was especially referring to the 4 February fire that affected a dozen stores in downtown Lima.

Gen Flores stated that the methodology, the technique employed by the terrorists is not the same as that used by Shining Path or the MRTA. Asked whether the attackers could be of the extreme right, the answered: They could be, why not? Anything is possible.

PETROPERU SAYS OIL SUPPLY GUARANTEED UNTIL 1995

PY111437 Lima Radio del Pacifico in Spanish 1200 GMT 11 Feb 86

[Text] Petroperu [State Petroleum Agency] General Manager Carlos Lizier last night stated that the Peruvian oil supply is guaranteed until 1995, announcing that Petromar [expansion unknown] yesterday set a daily oil output record of 28,700 barrels.

BRIEFS

IMPORTS DROP 13.5 PERCENT -- Vice Commerce Minister Belisario Esteves has disclosed that in 1985 the Peruvian trade balance showed a surplus of $1,124,600,000, that is, an increase of 126.6 million over that in 1984 due to a 13.5 percent drop in imports. Of the total exports during 1985, 75 percent were traditional goods and 25 percent non-traditional [Summary] [Lima EL COMERCIO in Spanish 23 Jan 86 p A 15 PY]

COAL RESERVES -- It has been proven that Peru has coal reserves that amount to 2.4 billion tons. The most important coal mines are in Anchas, Lima, and La Libertad Departments. The largest mines are the Alto Chicama and Oyon mines. [Summary] [Lima EL COMERCIO in Spanish 23 Jan 86 p A 3 PY]

NEW AMBASSADORS APPOINTED -- The ANDINA NEWS AGENCY has reported that Fernando Guillen Salas, (Hugo) Palma Balderrama, and Jorge Vargas Norman have been appointed Peruvian ambassadors to India, Brazil, and Honduras, respectively. They will travel to their respective missions soon, since their credentials have already been issued by the Peruvian Foreign Ministry. [Summary] [Lima Radio del Pacifico in Spanish 1200 GMT 27 Jan 86 PY]

ISRAELI AMBASSADOR LEAVES -- Israeli Ambassador Gideon Tadmor is leaving his mission in Peru after 7 years. [Summary] [Lima EL COMERCIO in Spanish 16 Jan 86 p B 5 PY]

JIMMY CARTER ARRIVES; TO MEET DE LA MADRID

PA120356 Mexico City XHDF Television Network in Spanish 1955 GMT 11 Feb 86

[Excerpts] Former U.S. President Jimmy Carter arrived at Mexico City International Airport at 1335 today under tight security measures. Carter was accompanied by his wife Rosalynn and by Robert Pastor, former member of the U.S. National Security Council and Latin American Affairs [as heard]. Tomorrow the former U.S. President will meet with President Miguel de la Madrid and will also visit the Congress.

ENERGY SECRETARY MEETS WITH NORWEGIAN MINISTER

PA102019 Mexico City XHDF Television Network in Spanish 0130 GMT 10 Feb 86

[Text] Mexico will continue talking to other oil-producing nations to achieve an understanding aimed at stabilizing the world oil market.

Francisco Labastida Ochoa, secretary of energy, mines, and parastatal industry, met on Sunday with Norwegian Energy Minister Kaare Kristiansen. Their meeting took place in Geneva, Switzerland, and lasted a little over 2 hours. The Mexican and Norwegian officials exchanged points of view and analyzed the current situation in the world oil market. The talks were cordial, but it has not been officially reported if Labastida Ochoa and Kristiansen arrived at an agreement regarding the lowered international prices of hydrocarbons.

Labastida arrived in Geneva from Riyadh, Saudi Arabia, where along with Arturo Hernandez Grisanti, Venezuelan oil minister and current president of OPEC, he met with Shaykh Ahmad Zaki Yamani, Saudi Arabian oil minister.

Labastida's talk with Kristiansen is added to the talks he has held with the following oil ministers: Dr Subroto of Indonesia, 'Ali al-Khalifah al-Adhbi al-Sabah of Kuwait, 'Abd al-Hadi Muhammad Quandil of Egypt, and Ahmad Zaki Yamani of Saudi Arabia. All of these talks are an effort to achieve an understanding among the oil-producing countries to stabilize the world oil market.

SPANISH CRUDE OIL IMPORTS WILL NOT CHANGE

FL110254 Mexico City NOTIMEX in Spanish 2200 GMT 10 Feb 86

[Excerpts] Mexico City, 10 Feb (NOTIMEX) -- The Spanish ambassador to Mexico, Pedro Bermejo Marin, said today his country will maintain without variation imports of Mexican crude, which are fixed at 175,000 barrels daily. He rejected all possibility of altering the bilateral trade agreement because of the present uncertainty affecting the international oil market, and stressed the fact that there is no plan whatsoever to reduce Spanish purchases of Mexican oil.

The diplomat, who was interviewed as he left the presidential residence of Los Pinos, in this city, said that imports of oil will not be increased because Spain does not need more oil, and added that Mexico is Spain's main oil supplier.

The diplomat said it would be necessary to achieve equilibrium in the import-export balance, which is now unfavorable for Spain. Our country buys much more than you buy from us, he said. The trade balance in favor of Mexico is enormous, from $1.5 to $1.6 billion, he said.

He said it is not easy to increase trade in both directions because it depends on the economic situation of each of the two countries, but he expressed confidence that, in the future, ways will be found to increase bilateral trade.

JAPAN WILLING TO EXTEND FURTHER CREDITS, LOANS

FL110430 Mexico City NOTIMEX in Spanish 0345 GMT 11 Feb 86

[Text] Guadalajara, 10 Feb (NOTIMEX) -- Mexico is one of the most responsible countries on earth, and we are not afraid it will declare a moratorium on debt payments, Japanese ambassador Mexico Takeshi Naito said today.

He said that Mexico now owes Japan $10 billion but that this does not mean that his government will deny further credits to the Mexican banks; to the contrary, it will continue to support Mexican growth with new investments and credits.

He said Japan has great confidence in the future of our nation, thanks to its political stability and to the economic responsibility it has demonstrated to the international banking system.

The Japanese diplomat said the Mexican crude oil situation will not affect its trade with Japan, as is shown, he said, by the increase of 20,000 barrels of oil over the 160,000 barrels Japan formerly bought.

Ambassador Naito visited this western state capital to meet with Governor Enrique Alvarez del Castillo to reach agreement on the basis for the new conversations in this city and the inauguration of an assembly plant.

GOVERNMENT PLANS TO IMPROVE COMMUNICATIONS

PA101837 Mexico City EL NACIONAL in Spanish 3 Feb 86 pp 1, 12

[By Mario Abad S.]

[Excerpts] The Mexican Secretariat of Communications and Transport (SCT) yesterday announced plans to build 29 new stations for the Morelos Satellite System [Sistema Morelos de Satelites] with part of the 820 billion pesos allocated to the sector in the current fiscal year's budget.

A total of 2,040 channels will be added to the network of carrier currents and telex service will be expanded by a total of 2,814 new lines.

Regarding the telephone system, the SCT announced that 659,000 new telephone sets will be added to the system and 405,600 lines will be installed throughout the country. In addition, 77 repeater stations will be built and added to the microwave system owned by the Mexican Telephone System [Telefonos de Mexico -- Telmex]. Rural telephone service will be extended to 142 towns.

The SCT also announced the creation of two decentralized agencies, the Mexican Postal Service [Servicio Postal Mexicano] and the National Telegraph System [Telegrafos Nacionales], as part of the program to modernize communications.

It was also reported that the national highway network, the railway system, and port infrastructure will be expanded and overhauled.

A total of 15 pieces of equipment will be installed to increase the redundancy and reliability of the public data transmission network and the "Walter C. Buchanan" and "Juan de la Granja" stations. Three maritime radio stations will be expanded and modernized. The maritime radio station in Progreso, Yucatan, will be moved to another location.

Work will continue on the modernization and overhauling of the National Radio Monitoring Network [Red Nacional de Radiomonitoreo]. New equipment will be purchased for 74 metering posts for the existing 18 monitors.

Four new telereservation systems will be purchased for the domestic airlines this year.

ECONOMIC MISSION TRAVELS TO U.S. FOR DEBT TALKS

PA101904 Panama City MATUTINO in Spanish 10 Feb 86 pp 8 B, 4 B

[By Roberto R. Rodriguez]

[Text] Last week the national government began to implement the 1986 national budget, and thus began the first disbursements of the various allocations approved by the National Assembly.

Meanwhile, reliable sources told MATUTINO that an official economic mission left for the United States yesterday to conclude the administrative process involved in the renegotiation of the foreign debt with the commercial banks.

The good news means that the commercial banks will soon be disbursing fresh money to the Republic of Panama. It also means the immediate solution of the liquidity problems the country might face if a final agreement with the foreign commercial banks is not reached.

The mission traveled yesterday and last night it held a working meeting in Miami with Panamanian President Eric Delvalle who is on a personal visit there.

Our sources said that the promise of fresh money is a result of the international organizations' acceptance of the economic and social policy guidelines explained by President Delvalle and presented 2 weeks ago by the political parties of the National Democratic Union.

Our sources said they would remain silent about the final results, but they said that everything is going well and that very soon details will be released.

COLUMNIST URGES DISCUSSION OF TREATY VIOLATIONS

PA101818 Panama City LA REPUBLICA in Spanish 9 Feb 86 p 6 A

["Vox Populi" column by Luis Restrepo Rosas: "Forceful Answer"--capitalized passage published in boldface]

[Text] A few weeks ago a group of U.S. legislators arrived in the country on what they described as an inspection visit. They interviewed Panamanian citizens and met with Panamanian legislators at the Legislative Palace. The Panamanian people described this visit as "interference in national affairs", and we protested against what we described as "one more aggression against the Republic's sovereignty and dignity."

They haughtily returned to their country where they shamelessly announced the possibility of adopting economic and political measures against Panama. They proposed as a condition to avoid this that "the Panamanian Government promise to establish a true democracy in the country." Again the Panamanians protested, and other Panamanians made unfortunate statements tacitly insinuating the possiblity "that the country return to the era of U.S. military involvement."

The most brutal and violent of the U.S. congressmen was Michael Lowry, chairman of the congressional subcommittee on the Panama Canal; he suggested that "the fulfillment of the Canal Treaty by the United States would be subject to Panama's internal policies."

Again there were protests over the abuses of these congressmen, describing their statements as involvement in Panamanian affairs. This column requested that the Panamanian Foreign Ministry make "a quick statement to explain the situation that has emerged."

Foreign Minister Jorge Abadia has given the right answer to Congressman Lowry's efforts to interfere in Panamanian affairs. In a note sent to U.S. Ambassador Everett Briggs, the Panamanian foreign minister explains that the United States is bound by the stipulation contained in the Panama Canal Treaty signed in 1977 that "the interoceanic waterway known as the Panama Canal must be turned over to this country on 31 December 1999 free of obligations and in perfect condition. One of these conditions is the U.S. commitment to complete, at its own expense, the widening of the Culebra Cut."

This column has constantly reported for many years the violations of the treaty between the two countries by the United States, violations that are committed every day. Some are administrative and are carried out by the "Zonians" encrusted in the Panama Canal Commission -- the declared enemies of the Panamanian people's rights -- and other violations originated with U.S. Law 96-70 that the imperialists and colonialist country has placed over the 1977 Panama Canal Treaty.

Law 96-70 has caused constant friction, and the passiveness of the Panamanian authorities, who on most occasions have not even protested over what is happening, has made the Americans bold to the extreme of reaching the situation that has now resulted in a forceful protest from the Panamanian Foreign Ministry.

Surely because Panama is a weak country, the U.S. Government will not bother to answer this protest, as has been that country's traditional policy when the protesters are weak countries. Therefore, I feel that FOREIGN MINISTER ABADIA SHOULD CARRY HIS PROTEST FURTHER AND REPORT THIS SHAMELESS U.S. INTERVENTION TO ALL INTERNATIONAL FORUMS: TO THE UNITED NATIONS, THE NONALIGNED COUNTRIES, THE OAS, AND INDIVIDUALLY TO ALL THE GOVERNMENTS OF THE WORLD. THE DYNAMIC AND BRAVE POLICY EXERCISED BY OMAR TORRIJOS AND FOREIGN MINISTER JUAN ANTONIO TACK MUST BE REACTIVATED.

POSSIBLE CUTS IN CANAL COMMISSION BUDGET VIEWED

PA071546 Panama City LA REPUBLICA in Spanish 5 Feb 86 p 5

["Vox Populi" column by Luis Restrepo: "In a State of Alert!" -- Capitalized passages published in boldface; all quotation marks as published]

[Text] The U.S. deficit has spiraled to infinity as a result of the excessive military expenditures ordered by President Ronald Reagan. During the last 5 years, the Reagan administration has invested OVER $1 TRILLION in all kinds of weapons, the construction of military bases, ammunition, and supplies for the most powerful military enclave in the world.

Faced with the acute fiscal crisis in the United States, the taxpayers are pressuring the legislators to the point that the latter have had to take steps to halt the increase in military expenditures.

The alarm increased after it was learned that President Reagan will request even more money to continue the uncontrollable arms race. Now the U.S. legislators are willing to intervene to find formulas to drastically reduce the military investments.

In this connection, the Gramm-Rudman bill, which seeks exactly this, has been submitted to the U.S. Congress for consideration. We Panamanians would have nothing to say about this were it not for the fact that efforts are being made to apply that law to the budget of the Panama Canal Commission, whose revenues are obtained exclusively from the tolls charged in the waterway. It must be recalled that the forgers of the sinister Law 96-70 used to cry that "not a single U.S. taxpayer's cent will be used for the canal's expenses. Therefore, after learning that, in violation of existing agreements, and as an additional aspect of its abhorrence of Panama, the United States plans to apply Gramm-Rudman to the canal, Panamanian employees in the Canal Commission are alarmed and in a state of alert.

In answer to reporter's questions, Panamanian Deputy Canal Commission Administrator Fernando Manfredo said recently that "if that law is applied to the budget for fiscal year 1986, there will be an $18 million cut that will increase in subsequent years." In order to sugarcoat the pill, Manfredo added that if the cuts were made, efforts would be made not to reduce the maintenance programs and there would be no personnel reduction." I, howerver, have received different information. Individuals very closely connected to the canal's operations and expenses have assured me that the cuts will be made precisely in THOSE TWO AREAS BECAUSE THE OTHERS WOULD AFFECT "THE QUALITY OF ZONIAN LIFE."

I believe that the Panamanian members of the Board of Directors are obliged to oppose any such attempt and demand direct participation in any amendments to the budget they recently approved.

If there are any cuts, they should affect the following superfluous expenditures:

A. The 15 percent tropical differential that benefits only "Zonians."

B. The yearly vacation trips to the United States for "Zonians" and their dependents, which are paid for by the commission. Also, the yearly trips for the sons of "Zonians" studying abroad, also paid by the commission.

C. The subsidies that "Zonians" receive since the commission began shouldering the cost of house rentals, electricity, the collection of garbage, etc.

D. The use of the diplomatic pouch, the cost of which the commission reimburses to the U.S. Embassy.

E. The subsidy for the administrator, as the commission pays the total cost of his domestic service, which includes a male cook that earns a salary of $1,500 A MONTH, a butler, female cook, and a gardener, each of whom earns over $600 a month, an excessive expenditure for looking after TWO PEOPLE.

THE PANAMANIAN EMPLOYEES IN THE CANAL COMMISSION ARE IN A STATE OF ALERT. THE FOREIGN MINISTRY HAS THE LAST WORD!

COSTA RICA

'MOST LIKELY' CANDIDATES FOR ARIAS CABINET NAMED

PA111341 San Jose LA REPUBLICA in Spanish 4 Feb 86 p 3

[Text] Reliable sources very close to President-elect Oscar Arias Sanchez yesterday mentioned the names of probable candidates for key posts in the administration that will take office on 8 May. The names have not been officially confirmed by Arias, however. The posts and most likely candidates to fill them are as follows:

Presidency minister, Fernando Zumbado; foreign relations minister, Rodrigo Madrigal Nieto; education minister, Francisco A. Pacheco; health minister, Edgar Mohs; public works and transportation minister, Guillermo Constenla; government minister, Luis A. Cordero A.; industries minister, Roberto Dobles.

There is no certainty as to who will be the public security minister. The posts of culture, labor, and planning minister will be filled by women.

No names have been mentioned yet for the posts of economy, treasury, and agriculture minister. Fernando Naranjo will be executive president of the Central Bank and Carlos Manuel Castillo M. will be ambassador to Washington.

SOVIET OFFICIAL COMMENTS ON SDI, NICARAGUA

PA112247 Panama City ACAN in Spanish 0233 GMT 11 Feb 86

[Text] San Jose, 10 Jan (ACAN-EFE) -- Today in San Jose, a delegation from the USSR Foreign Ministry met Costa Rican President Luis Alberto Monge and President-elect Oscar Arias Sanchez.

The Soviet delegation is visiting several Latin American nations and is headed by Vladimir Kazimirov, chief of the First Latin American Countries Department, and Vadim Chekmazov, deputy chief of the Second Latin American Countries Department of the USSR Foreign Ministry. The delegation has the mission of explaining the proposals of Mikhail Gorbachev, general secretary of the CPSU Central Committee, concerning a moratorium on nuclear tests and total elimination of that kind of weapon within 15 years. After visiting Venezuela, Colombia, and Panama, the delegation travelled to Mexico today.

Kazimirov, who was the first Soviet ambassador to Costa Rica when the two nations established diplomatic relations in 1971, said the proposal for the elimination of nuclear tests in the year 2000 is basically directed to the United States; however, it should be of interest to all mankind.

The Soviet diplomat criticized the U.S. Strategic Defense Initiative, known as "star wars" because he believes it entails "serious risks for mankind." During a press conference, he commented that if war is taken into space, any error could have very serious repercussions for mankind. He added that "mankind cannot become the hostage of computers."

Moreover, Kazimirov said the USSR "is resolutely" in favor of a "fair" political settlement of the Central American crisis, and insisted that Nicaragua is a country under attack from the United States, which "finances, organizes, and directs the counterrevolution."

Likewise, Kazimirov defended Soviet aid to Nicaragua and said it will be maintained as long as Nicaragua's right to undertake "an independent path, which allows its economic and cultural recovery, and as long as the achievement of social progress to which it is entitled" is violated.

EL SALVADOR

CARTER CREETED BY PROTESTS, CRITICISM

Embassy Protesters Teargased

PA111926 San Salvador EL DIARIO DE HOY in Spanish 10 Feb 86 p 64

[Text] In an unnecessary act of repressive brutality, security guards at the home of U.S. Ambassador Edward Corr hurled tear gas cannisters at a group of women and youths staging a peaceful demonstration yestereay afternoon to protest the arrival of former U.S. President Jimmy Carter.

The group of demonstrators desperately ran, together with national policemen who were at the residence's gates in San Benito neighborhood, to flee the effects of the tear gas. A policemen and several ladies had to be helped into houses of that neighborhood because they had been slightly injured.

Disregarding recommendations by the State Department and his own personal advisers, who told him not to visit El Salvador because he is unpopular here, Carter arrived at Comalapa Airport amid strict security measures. Carter's bodyguards, members of the embassy's security force, and Salvadoran agents formed a tight circle around Carter, preventing anyone, even newsmen who had been waiting for him for a long time, from getting close to him.

It was said that Carter and those accompanying him were taken to Corr's residence aboard a helicopter. In the evening, after being dispersed by tear gas, the demonstrators again gathered 150 meters from the ambassador's house at the Hipodromo Boulevard circle. Almost 100 national policemen surrounded Corr's house. Meanwhile, the demonstrators honked their horns, banged empty pots, and blew whistles while standing around bonfires, where they burned pictures of Carter and Fidel Castro.

Policemen, although firm, were polite. They apologized to the demonstrators, telling them that they were obeying orders not to allow anyone to enter the street where the ambassador lives.

The only incidents that occurred last night were apparently caused by nervous U.S. Embassy guards. It was reported that before the demonstrators left, at approximately 2100, a GMC van tried to run over a group of demonstrators. It stopped all of a sudden and two white men carrying M-16 rifles got out and threatened women and children. According to eyewitnesses, the incident did not go beyond that, and there were no great consequences from it.

Diplomatic sources described Carter's visit to the country as an act of "political clumsiness" that puts the U.S. Embassy and the country's security forces in an embarrassing position by confronting them with the people who repudiate the former president.

Blamed by ARENA for Area Conflict

PA120102 San Salvador EL DIARIO DE HOY in Spanish 10 Feb 86 pp 33, 37

["Open Letter" to former U.S. President Jimmy Carter from the Nationalist Republican Alliance; date of letter not given]

[Text] In regard to your visit to our country and the invitation of U.S. Ambassador Edward G. Corr to meet with you, our party, the Nationalist Republican Alliance [ARENA], has decided to decline the invitation and address this open letter to you instead. We believe that a man such as you, who has been a U.S. President, truly wants to defend the libertarian principles that are the basis of the great American revolution, and which have made your great nation possible. The defense of man and his rights is the main reason for our existence as a party.

Unfortunately for the free world, your policy in Central America between 1978 and 1980 generated changes, death, famine, and terror. Under the pretense of advocating noble and indisputable principles, such as the defense of human rights, the latter have been violated in the worst possible manner. You sponsored the arrival of the Sandino-Communists in Nicaragua. They have violated and trampled on the Nicaraguan people's human rights; and they are attacking our people with a dirty, traitorous, and cowardly guerrilla war.

Only the Salvadoran people's determined and democratic will, and the U.S. people's timely intervention by electing Ronald Reagan as your successor by an overwhelming majority, have made it impossible for the Marxists to obtain power. Had this not occurred, we would have shared Nicaragua's fate, the FMLN-FDR hordes would have attained power, and they would have enslaved the Salvadoran people.

Mr Carter, we Salvadorans have been suffering the effects of your policies and actions as U.S. President. To date your decisions have cost about 60,000 lives. Thousands have been displaced from their homes and working places. Some 800,000 Salvadorans are currently seeking a better future in your great country. In addition, we have suffered years of backwardness, poverty, and misery. Our economic infrastructure has been destroyed. Millions of dollars in taxes paid by your fellow Americans have had to be given by your nation to help us stave off communism. Here are the results of your nefarious economic policy so far:

1. In addition to the sad truth that nearly 20 percent of the population has left the country, the unemployment level has reached the dramatic figure of 45 percent.

2. The cost of living has doubled during the 1980-1985 period.

3. The agrarian reform, planned and implemented by your administration, has been a total failure.

The results of this failed agrarian reform are:

A. The sector included in the agrarian reform owes 3 billion colones to the state banks in credits in arrears, which are difficult to collect. A January 1984 report of the AID accounting department forecasts that agrarian debt, at a 7 percent interest rate, will reach $2 billion by the year 2000. In addition, the "beneficiaries" of the agrarian reform have sunk state cooperatives into poverty levels never before seen in our country.

C. Cotton acreage has been reduced by 75 percent.

D. The nation's number of cattle has been reduced by half.

E. Our domestic and foreign debt has reached skyhigh levels.

F. We have a chronic fiscal and commercial deficit.

Mr Carter, your worldwide policy has cost free men much. More outrages against human rights were committed during your administration than at any other time. Suffice it to mention Iran, the Middle East, worldwide terrorism, and the West's arms disadvantage when faced with Soviet expansionism.

We are sure that you would correct your stance if you only knew how much evil you have caused. For the good of mankind's genuine rights, we hope your visit will make you reconsider and change your stance toward our homeland.

GUATEMALA

CEREZO ON SUSPENSION OF DIT, ECONOMIC PROBLEMS

PA110400 Guatemala City Domestic Service in Spanish 2100 GMT 6 Feb 86

[News conference by Guatemalan President Vinicio Cerezo with unidentified reporters in Guatemala City on 5 February -- recorded broadcast in progress]

[Excerpt] [Cerezo] ...of the government which has been elected, we reached the conclusion that due to the number of crimes that were being committed -- we have statistics in this regard -- and due to the security problems that were being confronted, such as the appearance of bodies with signs of having been tortured or having undergone violence, the conclusion was reached, I repeat, that this body was not fulfilling its duties, its objectives, the purpose for which it was created, and for this reason it deserved to be suspended and to have it activities brought to an end.

As we announced from the very beginning, this government is trying to act in accordance with the law. What I have done at this point is not simply to detain its members without any kind of orders. Instead, as in any security body, they have been concentrated to receive information on what is to be done with the Department of Technical Investigations [DIT] and in order to orient them concerning the national government's security policy and to investigate those cases that deserve to be investigated.

Their relatives already know where they are. It has been learned that several writs of habeas corpus have been filed and those will, naturally, be given due course. That is the Supreme Court of Justice's prerogative and those individuals in favor of whom those writs of habeas corpus have been filed will be presented to the judges and the corresponding lawyers, as the national laws establish.

The agreement under which these activities are being suspended has already been signed by the remaining ministers and I will sign it in front of the press. I will now read it so you will learn its contents.

Government Agreement No 88-86.

The president of the Republic:

Considering that the National Police's DIT was created so the state could fulfill its obligation of protecting society by means of appropriate and trained personnel and by employing scientific procedures to prevent and investigate crimes, and considering that the DIT's duties include pursuit, capture, and turning over of criminals to the justice tribunals, in accordance with the legal framework and in order to guarantee the tranquillity and security of citizens;

Considering that the effective defense of human rights is a fundamental and unavoidable obligation that the state must fulfill by all means within its reach, especially defense of the rights to life, integrity, and the security of the individual, and considering that when the state's institutions charged with watching over the public security systematically fail to suitably carry out their function they become a permanent danger to human rights; and

Considering that the DIT of the National Police for many years has systematically failed to suitably fulfill the purposes for which it was created under the law, as in many cases it failed to carry out its investigative functions in a legal, appropriate, technical, and efficacious manner, it is fitting to definitively suspend its activities.

Therefore, using the powers conferred by clause (E) of Article 183 of the National Constitution, the president of the Republic agrees that:

1. The activities of the DIT of the National Police are suspended totally and definitely and it is established that the functions it was assigned -- in accordance with clauses A, B, C, and D of Article 44 of Decree No 3-32 issued by the presidency of the Republic, the organic law of the national police -- will now be assigned to the General Directorate of the National Police, which will be charged with directly executing them on a temporary basis, while the studies for an legal and material implementation of a criminal investigation police are completed. In accordance with the strictest adherence to the law, technology, and efficiency, and without any connection with the past, this criminal investigation police is expected to fulfill the function of preventing and investigating crimes in order to guarantee the citizens' security.

2. The government minister, through the General Directorate of the National Police, is charged with selecting, training, and supervising the personnel needed to execute and carry out the functions temporarily charged to that directorate.

3. The archives, registries, laboratories, office supplies, vehicles, endowments of all kinds, and all capital assets belonging to that technical department will be inventoried and turned over to the General Directorate of the National Police.

4. The Interpol section that formerly depended on the DIT of the National Police will continue carrying out its functions as a direct agency of the Government Ministry and will take steps to add that section's budget to that of this ministry's central office.

5. The state's Accounting Directorate and the Technical Budget Directorate, both agencies of the Finance Ministry, will immediately carry out budget operations connected with wages, assets, and expenses of all kinds of the DIT of the National Police -- whose activities are being totally suspended by this government agreement -- and will transfer them to the General Directorate of the National Police so they can temporarily become a part of its budget.

6. The Government Ministry, through the General Directorate of the National Police, is charged with the implementation and fulfillment of the present agreement and will dictate the complementary measures needed for better execution.

7. This agreement will go into effect on the day of its publication in the official newspaper.

To be published,

[Signed] Marco Vinicio Cerezo Arevalo, President;

Juan Jose Rodil Peralta, Government Minister;

Rodolfo Paiz Andrade, Finance Minister

In addition, today I would like to thank the Defense Ministry for cooperating with the Government Ministry in carrying out this operation. Without its cooperation for the entire surprise operation, and without the cooperation of the BROE [Reaction Battalion for Special Operations], this activity could not have been carried off so neatly.

If you have any questions, I beg you to follow the norms previously established. Your turn.

[Reporter] [Words indistinct] of what may have been yesterday when the DIT elements were concentrated? Do you have any statistics as to the decline in criminality? Also, several sectors have already expressed very positive views on the measures adopted. What is to be done now to the DIT elements?

[Cerezo] The Government Ministry will be charged with reporting on the procedures to be applied to the DIT people. We have said and insisted that we do not want the just to pay along with the sinners. We will try to enforce the law. Not all of them are criminals, nor are all of them involved in illegal problems. We will conduct an investigation. Those who have not participated in criminal activities will be given a second chance. Others will be transferred to orientation courses. And those professionals whose aptitude is fully confirmed can be transferred to the National Police so they can continue carrying out this kind of duty. All of them now have files, as many of them did not before, and in those cases where reason is found to conduct an investigation, we will take the appropriate steps under orders of the Attorney General's Office.

As for crime, we cannot do anything yet. We must wait a few days to see the effects of this, but we have begun taking some measures concerning the high crime rate. It is important that this be known.

For instance, from 14 January, when we took office, to 3 February 1986, a total of 370 vehicles were stolen. Under the government minister's orders and through new operations that we are carrying out, the police recovered 319 of them. This means that 90 percent of those vehicles were recovered. Nine adults and four minors were detained in connection with car thefts. They have been turned over to the tribunals.

There have been a number of violent deaths. We already have statistics for the period between 14 January and 3 February. A total of 175 people died violent deaths during that period. It is important to note that 99 of the 175 cases involved violent deaths in traffic accidents. In other words, most of the deaths involved traffic accidents. This means that in the future we will possible have to seek better traffic control.

A total of 42 people died from firearms injuries, 14 were killed with knives, and 4 were killed with blunt weapons. A total of nine bodies were found: of these, five were strangled; two died from burns. Of the bodies found, five belonged to individuals about whom it was not known how they arrived in Guatemala. It has been proven that they were foreigners. Three of them were Lebanese, I think, or rather, three were Hindus and two were Lebanese. Their embassies did not know that they were here in Guatemala. We suspect it may have had to do with drugs, but we have no evidence yet. Two people died from burns.

So, we have begun creating general statistics. As for the theft of vehicles, we have already begun having some success.

At a future news conference, the minister will explain the procedures that will be implemented to begin controlling the use of firearms by private individuals. We will announce this sufficiently in advance so that those who wish to act legally may do so. Later, we will begin to act very firmly to control the illegal possession of firearms. But this will be announced at a news conference where the minister will announce all the pertinent details.

[Question indistinct]

[Cerezo] There has obviously been none. [laughter] Let us see if it is due to that. I think the difference will be noticeable; we shall see in the immediate future.

[Reporter] Mr President, although the measure calling for suspension of DIT functions is quite wise and has been quite well accepted by the Guatemalan people, the press yesterday published a Government Ministry bulletin on speculation in some of the reports. The truth is that we could not find information except at the second police body and from people associated with the DIT. The government minister said the press would be the sole watchdog, or one of the watchdogs of the people, the one truthfully reporting to the people, yet yesterday it was denied both information and access to all of the detention centers. Why?

[Cerezo] This is a good question. I must explain that at times we must operate by surprise. You know that yesterday there were nine people who could not be located, right?

[Unidentified speaker] Twenty did not show up.

[Cerezo] Twenty did not show up because the information was filtered. In other words, 20 people are completely out of our control at this point, and 9 others showed up later. But you must excuse my using some cases. As I have explained to you, it is not a matter of concealing information but of doing things on behalf of the people, and sometimes we have to do... [changes thought] Had we held this news conference prior to making this decision, we would now have 20 detainees, or 20 concentrated elements -- excuse me, as the latter is the correct term -- and the rest would be walking about who knows where. We have gathered weapons, we are collecting information. And as for you, please, I beg you to understand our reasons for insisting at times on a certain level of discretion. The operation was carried out in the course of the day, and at that point the people were being concentrated. This is why the information was not given out until today. Besides, I told you in the morning that the information would be officially given to you this afternoon.

[Reporter] We would like to have more information about the Hindus and the Lebanese. Specifically, approximately when did they arrive in Guatemala, how did they die, are there suspects connected with these murders, and where were they found?

[Cerezo] As I have told you, at this point we are trying to establish where they came from and the reasons for their arrival here in Guatemala. This has not yet been established. A process to identify their origin is being conducted, using mechanisms with which the police are more familiar than the president of the Republic, as that is not my speciality.

[Reporter] Mr President, I wish to congratulate you for taking this stand. Now, considering that we live under a de jure regime, I must beg you to let me address my question to the government minister. Mr Government Minister, I would like you to tell me whether, among the decisions for good government under a de jure system, you have considered a reform, needed by the people, to change those decrees and agreements that permit the existence of so many private police bodies that are not really under government control?

[Rodil] Yes, thank you. The instructions my ministry has received from the president of the Republic call for conducting a complete analysis in order to reform all police areas. The reforms directly include that which concerns private security forces. To speak now about the overall reform of the security bodies would, I think, not be too productive, as we are still working on that and, fundamentally, under the president's instructions, on the most immediate plans to control as soon as possible the crimes that have become a scourge of the people.

[Reporter] Mr President, was a surprise action carried out against the DIT facilities because it was feared that DIT elements might resist? Also, it has always been charged that there are secret jails in the country. My question is, were any secret jails found during this police operation?

[Cerezo] No secret jail has been found at this point at the DIT facilities. This is a very important subject we will discuss later as a part of the activities the government will carry out in due time. We will discuss this subject in about 1 month. We are looking for the right procedures in order to make decisions in that regard. We have not yet found anything in this DIT facility. We have everything under control and, as is stated here, everything will be turned over to the National Police for investigation.

[Reporter] Mr President, changing the subject now, a dispatch from Havana was made public yesterday in which the premier of that country harshly criticized the Christian Democratic governments, especially that of El Salvador, and it was mentioned that talks might be held between the governments and subversive groups that operate in these countries. The question is this: Will talks be held with these groups?

[Cerezo] I have already said that I do not think there is any possibility of holding talks with Guatemala's guerrilla groups in less than 1 year. We have already indicated that we will try to work jointly with the various government institutions to create a de jure state. Once this de jure state exists, the law is fully respected, and political pluralism can be guaranteed, then we might open talks in order to invite those groups, which in the past have chosen the violent path, to participate politically, peacefully, and in accordance with the law.

[Reporter] (?Mr President), [words indistinct] DIT. One of them is: the first chief of the DIT was seen today walking by or going near the DIT facilities. It is not known whether the other two are among those imprisoned or whether they are at home. The other question is this: Usually, civilians are held for preventive detention in that detention center. What has happened to them?

[Cerezo] They have not resisted or created any problem for this operation.

They are at the DIT facilities preparing to turn over all the property, papers, and archives to the National Police. We have made them responsible for this operation.

[Reporter] Mr President,....

[Cerezo interrupts] You mean other individuals, alien [to the institution?]

[Question indistinct]

[Cerezo] At this point we have not found anyone detained preventively. In any event, they would have been turned over to the regular detention bodies.

[Reporter] Mr President, changing the subject a bit, you have said you have met with businessmen. As is well-known, many products have been intentionally removed from the market by some manufacturers and businessmen. What specific results were achieved during those talks with the businessmen?

[Cerezo] We are holding taks with various sectors. Next week we will announce the establishment of a commission that will be called the Commission for Reaching Agreements With Private Enterprise [Commission para la Concertacion con la Empresa Privada] in an effort to convince the private sector that it should help resolve the national crisis. At this point we have several problems. With regard to labor, we have realized that a process has begun under which workers are being dismissed, perhaps foreseeing the possibility that wage increases might be in order for all sectors.

The labor minister met with me today. She is making an appeal to businessmen so they will not act outside the national interest, so there will be no mass unemployment at this point caused by the private sector, as this would aggravate the economic situation of all sectors of the population. An appeal is being made to them and, naturally, the appropriate legal measures will be adopted so the labor benefits are enforced, and, in addition, to try to get those rehired who have been dismissed unjustly.

Talks are also underway concerning the price problem and the problem of staples. For this reason, a bill will be submitted -- and you will learn about it at a news conference to be held by the Finance Ministry, so I will not go into details -- so there is no justification for price increase on account of Rule No 3. A temporary suspension of this rule will probably be proposed this year so it will not be possible to justify the price increase of products already imported. An effort is being made, as Guatemalans say, to put the blame on the government for the price increases, but no one has been made at this point to pay taxes for the imported goods. Therefore, so there will be no justification, and so we can really have objective data with which to ask them to maintain a stand on behalf of the national interest, we are currently promoting at the National Congress a measure that will favor the people.

[Reporter] Members of the municipal workers association (?reported) yesterday that more than 300 of them had been dismissed.

[Cerezo] Really?

[Reporter] Yes. There is also a report from municipalities in the interior, whose mayors belong to the Christian Democratic Party. Have you appealed to these mayors to cease this practice?

[Cerezo] Look, I immediately got in touch with the party's secretary general.

He told me a telegram has been sent to mayors instructing them to act within the legal limitations, and dismiss only those found guilty of corruption or inefficiency. The truth is that three specific cases have caused the problem. In other cases, workers have been dismissed according to the law. These latter municipalities are Jutiapa, Nebaj, and, well, I forgot dismissedf the third municipality.

I must tell you that in each case in Guatemala we must act by taking into consideration the municipality's autonomy. Nevertheless, the party as such can ask the party mayors to follow the government's policy of going slow in reorganizing the administration in order to cause the smallest possible number of injustices. As you have seen, we have not dismissed workers en masse, but have dismissed some selectively. There have been many complaints, yet specific justifications have occurred in some cases. Some people had been receiving salaries for 4 years and never showed up for work. We have had to follow the procedure because all of us dislike paying salaries without service being rendered. We have asked the municipalities to halt the mass dismissals. As for Guatemala City municipality, we have gotten in touch with the mayor and he has told us he is willing to listen to the government's suggestions, but that this will be discussed directly with the workers union. I feel this is proper. We cannot go any further. At any rate, the Labor Ministry will intervene when it has to.

Now I will have to leave. After two more questions, I want to mention something to you. Next week we will probably break our own rules. We will offer two press conferences. One of them on the housing program which, as you know, we have begun to tackle. The other will serve to give you an outline of the economic stabilization plan we hope to begin by the end of March, after reaching an accord with the unions and private enterprise, and after making the proper decisions.

[Reporter] Returning to the DIT matter. You have heard that the plainclothes department will be reorganized. Now, although this reorganization will be done quickly, it will take some time. What government agancy will be in charge of the investigations that logically belong with the plainclothes police department in specific cases?

[Cerezo] As we have said before, these tasks will be turned over to the National Police, which always has some people for such activities. I will give you a small tip: Other state agencies have information on this... [changes thought]. This is why I said we thanked the Army for its cooperation, since it can provide us with some information in order for us to keep working on this while we carry out the proper reorganization.

Now, let me tell you this. The government minister will stay and discuss all these operational details a bit more. Nevertheless, I will point out to you some important things. The members of the National Police, including administrative, security, and regular members, only number 8,100 throughout the country. Of these, 2,000 are in charge of patrolling the streets. This requires a reorganization for a country with 8 million people. We have 28 patrol cars in service in the entire country. Some of the cars that operate in the country's interior are in pretty bad shape. We will have to work in earnest to give the people security and, for this reason, the study requires more time. Regarding the other details, the government minister will conclude the conference. I will let our friend here speak to conclude... [does not end sentence]. You can ask the minister for the rest. You can speak.

[Reporter] Mr President, greetings from [words indistinct]. Good afternoon. I would like to ask you about the general hospital in the country's west, inasmuch as a 6 million dollar protocol was signed last year. It has been said that this loan was lost.

As a citizen from Quetzaltenango and a journalist, I would like to know what has happened to the construction of this general hospital. Thanks.

[Cerezo] I must confess that I do not know. Frankly, I do not know. I promise, however, to take the necessary steps in conjunction with the health minister to have it built. He told me a hospital was being equipped in the west. I suppose that must be it. Nevertheless, I promise to send you the proper information. Frankly, I do not know at this time. Look, I have an appointment and I ask you to excuse me. The minister will now be with you. Thank you for your attention. We will discuss some other topics related to the government of the Republic at some other time. Good afternoon.

HONDURAS

ARMED FORCES COUNCIL MEETS TO CHOOSE NEW CHIEF

PA111554 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 Feb 86

[Text] Members of the Superior Council of the Armed Forces will be meeting today, Tuesday, at 0700. The council is composed of approximately 40 officers from military units throughout the country.

It has been confirmed that it is possible that the persons to be presented as candidates for the post of commander of the Armed Forces for the period ending January 1987, when General Walter Lopez Reyes' term as commander should have expired, are: Navy Commander Colonel Humberto Regalado Hernandez, believed to be the strongest candidate; and Army Commander Colonel Guillermo Thuman Cordon, an officer who has the support of the intermediate-level officers and of the Superior Council members and who, for this reason, is wanted as Armed Forces commander next year when a new chief will be appointed for a 3-year period, as established by the military institute statutes.

If negotiations between congressmen and the military are successful, the third candidate will be Colonel Efrain Lisandro Gonzalez.

Some Superior Council members are upset over the alleged meddling of some political sectors in the appointment of the new Armed Forces commander.

It has been said that there will be surprises when the name of the new military commander is announced, possibly tomorrow, Wednesday, during the National Congress session.

NICARAGUA

CARTER FAVORS TALKS WITH 'CIVIC-MINDED' OPPOSITION

PA111914 Managua EL NUEVO DIARIO in Spanish 10 Feb 86 pp 1, 6

[Excerpts] Former U.S. President James Carter said yesterday before leaving for El Salvador that the Contadora Group is the only avenue to achieving peace in Nicaragua -- a negotiated peace without further bloodshed. Carter said the opinions of both the revolutionary government and the opposition must be explored and, therefore, negotiated with the civic-minded opposition and not with those who are struggling with the help of CIA financing. The former U.S. President left yesterday for El Salvador to continue his visits to various Latin American countries.

ORTEGA ADDRESSES POLITICAL PARTIES CONVENTION

PA111542 Managua Domestic Service in Spanish 0051 GMT 11 Feb 86

[Speech by Nicaraguan President Daniel Ortega at the opening session of the Conference of Latin American and Caribbean Political Parties at the Cesar Augusto Silva Conventions Center in Managua -- live]

[Text] We have listened to Companero Ruben Berrios' forceful words and to those of the (?representative) of Haiti.

We have opened this meeting of Latin American political parties and movements by listening to the message of the people who recently expelled Duvalier's dictatorship. We have also listened to the message of a people, the Puerto Rican people, who will also achieve their total independence.

This meeting of representatives of political parties and movements from Latin America and the Caribbean is of special importance because of the present situation in Latin America and the Caribbean. In Latin America and the Caribbean we are breathing winds of freedom and hope. But certain peoples are still oppressed, certain peoples remain subjected. We are advancing, it is true, but we are also faced with the pressures, the aggressions, and the blackmailing policies promoted by the U.S. Government.

Naturally, Latin America today is not the Latin America of the sixties. Back then it was possible to isolate Cuba. Back then, military dictatorships proliferated in Latin America -- the Somozas, the Duvaliers. Back then, the United States had subjected the Latin American and Caribbean governments to its interventionist policy, its policy of force, its policy of domination. That is why it was relatively easy for the U.S. rulers to isolate heroic Cuba and add the Latin American governments to the blockade. But the Latin American and Caribbean peoples never, ever joined that blockade, and Cuba received, from the start, the solidarity of the Latin American and Caribbean peoples.

These are other times. The situation has changed, and it has been the peoples' force, their will and determination to struggle, that has brought about a change in Latin America. The struggle of militants in the revolutionary, democratic, and progressive political forces; the struggle of unionists, workers, and peasants; the struggle of students; the struggle of women; the struggle of the armed revolutionary combatants -- all that combination of forces, all those wills combined, are what have gradually opened democratic spaces in Latin America.

In Nicaragua, we have also opened a democratic space with the Nicaraguan people's determination and will. Here we have opened a democratic space by treading a different path, the only one left by the Somozist dictatorship and the imperialists. The Nicaraguan people made use of the right to insurrection, the same right to which the Latin American peoples resorted in order to achieve their independence, to free themselves from the colonial yoke. The Americans also resorted to that right to free themselves from the colonial yoke. That right is there, always present as an option for those peoples who have no other path left but that of resorting to the right to insurrection.

The Nicaraguan people liberated themselves by treading along that path. Since then, we have been constructing a true and authentic democracy here in Nicaragua. It is not the democracy that the American leaders would like, but it is the democracy that the Nicaraguan people want:

A democracy that nourishes itself from the roots of our history; a democracy that nourishes itself from the combativeness of Latin America's history; a democracy that bases itself on the principle of nonalignment, political pluralism, and a mixed economy; a democracy that has its own seal; a pluralist democracy with a mixed economy, but one designed to benefit the large majorities, to serve the workers and the peasants, rather than to exploit them; a democracy designed to give land to the peasants; a democracy so the people can learn to read and write and can have health services and cultural development; a democracy where the people can have access to the communications media. That is the democracy we are building.

There are those who want to tell us Nicaraguans, who want to guide Nicaraguans regarding the type of democracy that should be established in our country. Some do it though friendly messages, trying to condition economic cooperation to the type of democracy established in Nicaragua. And they say: Unless there is a democracy with such and such characteristics in Nicaragua, we will not help Nicaragua. We have defended this democracy and will continue to do so, even if we fail to have the economic cooperation of these governments that do not agree with this democracy.

Then there are other well known ones, like the U.S. leaders who, repeating past mistakes, again want to impose their model of democracy on Nicaragua. To achieve that objective, they have declared war on Nicaragua. And one hears the U.S. Congress say that that is not the most suitable way, that other means of exerting pressure on Nicaragua must be sought. But there is a similarity in the imperialist behavior of these from the United States who want to decide the fate of the Sandinist people's revolution.

In recent years, the views of President Reagan's advisers have prevailed, that is, the ones who endorse the terrorist policy against Nicaragua, the ones who agree on the use of force against Nicaragua. These views have gradually become prevalent, and the entire U.S. Congress has been made an accomplice of this terrorist action against Nicaragua.

When the U.S. Congress approved $27 million for the mercenary forces in mid 1985, the significant thing was not the amount, but the political action through which Reagan managed to make the U.S. Congress an accomplice of his terrorist policy against Nicaragua. Then came the escalation, amd they delivered surface-to-air missiles to the mercenary forces. For the first time in the history of unconventional forces in America and the Caribbean, from Canada to Chile -- as there have been unconventional forces in Canada, even in the United States itself, and in all the Latin American countries -- unconventional forces have that type of weapon. In fact, the anti-aircraft weaponry, the surface-to-air missiles that they have given to the mercenary forces based in Honduran territory, are weapons that they have not given to the Honduran Army, yet they have already given them to this (?sub-) army the U.S. leaders have organized here in Central America.

Further, there have been other words and actions in the interventionist escalation against Nicaragua. Military aid is being requested from the Congress. This aid is no longer masked as humanitarian aid, and it is requested for what they really want it for: to give more weapons to the mercenary forces.

The United States, which seeks to portray itself as the champion of the struggle against international terrorism, practices international terrorism. It practices it, protects it, promotes it in various parts of the world, and has been promoting it every day here in Nicaragua, murdering the Nicaraguan people. The U.S. terrorist actions against the Nicaraguan people have already resulted in over 12,000 dead. President Reagan's paladins of freedom have been murdering children, murdering women, murdering peasants, destroying cooperatives, destroying health centers, and destroying schools. Here it is not terrorism.

The U.S. Government has been avoiding the International Court of Justice and avoiding international justice like a criminal. The U.S. Government has been trying to promote conditions under which it could even invade our country.

Nicaragua, meanwhile, has been defending itself, defending its revolution, defending the democracy we are building and defending peace, defending it with the weapons in the people's hands. Here it is the peasants, the workers, and the students who are waging this uneven battle and defending the country's sovereignty and self-determination. Nicaragua has been defending peace at the international organizations and making specific peace proposals. Nicaragua's initiatives on behalf of peace have been many and are well known.

The U.S. stance rejecting Nicaragua's proposals is also well known. Nicaragua's support for this Latin American effort that we know as the Contadora Group and the Lima Support Group is also well known. We have been endorsing that effort for 3 years, but the aggressive U.S. action has been one of constant rejection for this Latin American effort. While Contadora has concerned itself with promoting discussion and dialogue among Central Americans in order to find a response to regional problems, the United States has responded with agressive actions, with military maneuvers, with financing for the mercenary forces.

In January we learned about the Caraballeda document, which was immediately endorsed by the Central American rulers. And what was the U.S. reaction, that of the U.S. Government vis-a-vis the Caraballeda document? To promote an effort in Congress and among U.S. public opinion to obtain military financing for the mercenary forces. Those are the actions of the United States toward Latin America. To Latin America's peace message it responds with a message of death.

The eight representatives of the Latin American governments that comprise the Contadora Group and the Lima Support Group met today with Secretary Shultz. Latin America is gathered and represented there demanding from the United States an end to the financing for the mercenary forces, an end to the aggression against Nicaragua, and the opening of a dialogue with Nicaragua. But there is also the pressure, blackmail, and threats of the U.S. Government on those Latin American governments. Undoubtedly, the United States will try to turn this Latin American effort by the Contadora Group and the Lima Support Group into a complementary instrument of its policy of force against Nicaragua. And we Nicaraguans, we Latin Americans, must fight so the Contadora Group and the Lima Support Group can be authentic Latin American representatives who defend Latin American interests with dignity, who defend them firmly, who defend them with determination. [applause]

Once more Latin American unity, more necessary now than ever, is at stake. It is the Latin American unity summoned by the struggle promoted by Bolivar; the Latin American unity promoted around the struggle led by Omar Torrijos in defense of Panama's sovereignty; the Latin American unity also invoked by the rebellious Nicaraguan people against Somoza's dictatorship; the Latin American unity invoked by the Argentine people while defending their sovereignty in the Malvinas. It is the Latin American unity that the Sandinist people's revolution, attacked by the U.S. Government, continues to invoke; the Latin American unity invoked by the Latin American peoples victims of the economic crisis, victims of unjust international commercial relations, victims of the foreign debt. Bolstering Latin American unity at this point around and in defense of the Nicaraguan revolution is to bolster the capacity of struggle of the Latin American peoples; it is to further bolster the capacity for negotiations of the Latin American governments because, in the end, this problem is affecting us all.

This problem will not be resolved by giving in to the blackmail, by giving in to the pressures, by giving in to the threats of the U.S. leaders. That would merely provoke a worse crisis; that would merely erase democratic advancement from the Latin American political map. This struggle must be waged with determination and firmness vis-a-vis the United States.

We have two great realities: Latin America and the Caribbean, and the United States. Latin America and the Caribbean are demanding a new kind of relationship with the United States, while the United States remains bent on a neocolonial treatment of the Latin American and Caribbean peoples and governments. That is what is presently at stake: Latin America's future. In the end, that future will not be decided on the basis of whether or not some governments give in to U.S. pressures and blackmail. This future will not be decided on the basis of the possible frightened stance adopted by certain Latin American governments. That future will be decided by the Latin American peoples. [applause]

This very meeting is an example of Latin American determination and dignity because to come here to Managua for this meeting requires courage; to come here to Managua for this meeting means to fall out with Mr Reagan and provoke the discomfort and protests of the U.S. ambassadors in the Latin American and Caribbean countries. The U.S. ambassadors must already be sending protest notes to the governments of the countries represented here by political forces. Logically, the United States does not approve of this meeting. It wants to keep Nicarague isolated, first of all from Latin America, in order to isolate it later from the rest of the world so it can act with greater impunity against our country.

This meeting shows that there is dignity and determination in Latin America. Representation here is broad, numerous, and pluralist. Through you, millions of Latin Americans will speak here in the next few days, and the Nicaraguan people are grateful for that. The Nicaraguan people are grateful for the presence of all of you here in Nicaragua. We know that your peoples also feel proud that you are here, expressing solidarity and active militancy with the Nicaraguan people.

We are sure this meeting will bolster the Latin American peoples' decision to struggle; it will promote more actions in Latin America in defense of self-determination, independence, sovereignty, and peace. Surely, this meeting will also strengthen the Latin American governments' stances in favor of Latin American interests. This meeting will give more strength and courage to the Latin American governments so they can confront, without hesitation, the pressures exerted by the U.S. leaders.

This meeting also raises the morale of the Nicaraguan people, who are fighting the imperialist aggressors every day and shedding their blood. The Nicaraguan workers, peasants, and laborers are grateful for this meeting. Nicaraguan mothers, who are the ones who suffer the most on account of the U.S. leaders' terrorist policy, are also grateful for this meeting. This meeting gives the Nicaraguan people a firmer determination to struggle in order to confront, resist, and defeat even a Yankee intervention, should it occur. [applause] On behalf of the FSLN National Directorate and the Nicaraguan people, we say, thank you, companeros. [applause]

CARDINAL RETURNS, DENIES REBEL INVOLVEMENT

PA120111 Managua LA PRENSA in Spanish 10 Feb 86 p 1

[Text] Upon returning to Managua last night, Cardinal Obando y Bravo said: "I am not involved with those who have risen up in arms."

Approximately 100 people clapped their hands for him at the Managua airport last night. He was received by Curia spokesman Monsignor Bismarck Carballo. The Nicaraguan archbishop visited the OAS and United Nations offices in Washington and New York. The cardinal returned to Managua aboard a regulat TACA [Central American Airline] flight on Sunday evening and was accosted by a group of journalists while heading for his private car.

The cardinal said: "I will say only that I am a pastor and not a politician, and I am not involved with those who have risen up in arms."

RIVERA LEAVES SAN ANDRES ISLANDS FOR COSTA RICA

PA111404 San Jose Radio Reloj in Spanish 1258 GMT 11 Feb 86

[Text] San Andres Islands, Colombia -- Miskito Indian leader Brooklyn Rivera reiterated yesterday in Colombia's Caribbean island his criticism of the Sandinist Government, labeling it totalitarian, repressive, and dictatorial. Rivera, together with 11 more persons, including 4 U.S. citizens and Indians from the Misurasta [Miskito, Sumu, and Rama Sandinists Unity] community [as heard], which lives old Nicaracua's Atlantic coast and includes the Miskitos, Sumus, and Ramas, left the San Andres Islands yesterday for San Jose, Costa Rica.

'SHOCKING' HUMAN RIGHTS ABUSES BY ARMY REPORTED

PA081033 San Jose Radio Impacto in Spanish 1830 GMT 4 Feb 86

[Text] Members of the Human Rights Commission of the Nicaraguan Opposition Unity, UNO, today reported shocking cases of human rights violations in Nicaragua. In a press conference held at a San Jose hotel, they said the commission will place special emphasis on compliance by the two parties in the Nicaraguan armed conflict with the basic humanitarian principles of the laws of war.

The UNO members added that to this end, the commission is processing information and reports received on alleged violations and abuses perpetrated by troops of the Sandinist regime as well as by troops of the Nicaraguan resistance.

The UNO Human Rights Commission is comprised of Dr. Roberto Ferrey, former official of the Justice Ministry and coordinator of the commission; Dr. Alberto Gamez Ortega, former deputy minister of justice, and Father Santiago Anifua, former professor at the Central American University, who was expelled by the Sandinist government.

In an answer to a question from the press, the members of the commission said the charges made by them have legal validity and international recognition, under the provisions of the Geneva Convention on this subject.

Father Santiago Anifua reported the unjustified closing by the Sandinist government of a seminary and radio station owned by the Catholic Church in Nicaragua. He also acknowledged the incompatibility of a totalitarian government, like the one existing at present in Nicaragua, with the Catholic Church.

However, the main part of the press conference of the UNO Human Rights Commission dealt with a series of reports on shocking cases of human rights violations by the Sandinist government and Army. Antonio Ruiz, spokesman for the UNO Human Rights Commission, presented the following reports.

[Begin Ruiz recording] The following are some of the reports that we have received and have with us. The first report by victims of the Sandinist Air Force [FAS] states that on 11 July 1985, Mrs Julia Herrera and her 4 children, all minors, from (Cano de la Cruz) area, Jinotega, Nicaragua, were wounded when the FAS indiscriminately bombed the area. Similarly, the civilian population of El Tamarindo, La Sirena, Las Canas, (Dadadilla), Llano Largo, and Mojon, all located in Esteli Department, Nicaragua, have lived in anguish since 30 July 1985, when FAS planes indiscriminately bombed these areas, causing irreparable harm to the civilians.

We also have reports that the Sandinist People's Army [EPS] has set fire to peasants' houses. On 1 July 1985 EPS patrols arrived at the homes of Victorino Flores Urbina and of Enzima Garcia, located in Cuicuina Grande in Zelaya Department, Nicaragua. The patrols forced Flores Urbina and Garcia to abandon their homes, stole all their property, and then set the two houses on fire.

Another case that also involves human rights violations by the EPS is the report that Homero Martinez and Juan Vargas Aguinaga, evangelist ministers of the Temple of Jordan located in the Yoro area, in Matagalpa, Nicaragua, were arrested on 8 June 1985 in the Yoro area by members of the EPS, who tortured them savagely. A generator and kitchen utensils were stolen from the church. Then the EPS soldiers went over to the peasants' houses and took away all their clothes. On that same date, Elodio Molina Escorcia, 17, from the Yoro area, was arrested and killed in front of his mother, Domitila Escorcia, and the aforementioned evangelist ministers.

Likewise, Angel Pineda Lagos, from Jalapa, Nueva Segovia, Nicaragua reports that on 10 December 1982 he was captured by EPS units, who tied him up with barbed wire and during the subsequent torture broke his teeth with rifle butts.

We also have the case of Francisco Antonio Polanco Arauz from Matagalpa, Nicaragua, who reported that on 15 January 1982 he was arrested by Sandinist government authorities, who tortured him because he refused to lend them a station wagon that he used for his work. He was threatened with death and was not given any food while in custody, and was accused of being a "contra" and a friend of the extinct National Guard.

Mercedes Vasquez Fernandez, from La Sorpresa, Jinotega, Nicaragua, also reported that up until 5 August 1981, the Sandinist authorities had illegally and arbitrarily imprisoned her three times, and that she was subjected to psychological torture, given no food, insulted, threatened with death, and beaten with clubs with sharp points. The perpetrator of these abuses was known only as "the doctor."

Similarly, Martin Hernandez Rivera, from Santa Maria of Jinotega, Nicaragua, reported that on 4 October 1985 he was arrested by members of the [name indistinct] Battalion, of the [number indistinct] Military Zone, and was later tortured and wounded.

Juan Antonio Sanchez Lopez from Managua, Nicaragua also reported that on 18 July 1981 he was captured by Sandinist authorities, who tortured him savagely. He was then transferred to Santa Rita Sugar Mill in Managua, where he was threatened with death and subjected to more torture. On one occasion he was taken at midnight to a cane field and threatened with death. The Sandinist Jose Angel Vivas, also known as "Lion's Face," and Felipe were responsible for these acts. [end recording]

This has been the report on human rights violations from the UNO Human Rights Commission.

MINISTER SEES MODERATE 1986-87 EXPORTS INCREASE

PA101401 Managua EL NUEVO DIARIO in Spanish 7 Feb 86 p 5

[Text] According to Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca, a moderate increase in Nicaraguan exports is expected in 1986-87.

The minister quickly reviewed the export situation involving the major traditional products, such as coffee, cotton, meat, bananas, sesame seeds, and tobacco.

During the coffee harvest, he asserted, 1 million quintals of gold coffee will be picked for export. The average sale price for the harvest will be $190 (no amount specified], and Nicaragua hopes to take advantage of better prices.

Incentives

Concerning incentives for producers, he said that although these have been defined, there will be flexibility with regard to the various qualities so producers can take advantage of the prices.

As for bananas, Martinez Cuenca said this is one of the most profitable products in the country. He explained that about 30 ships are taking this product every week without interruption to their new market in Western Europe, and that exports will be extended to the socialist community.

Following the U.S. embargo, he explained, bananas were sold immediately, even though it was not a financially profitable operation at the time because they were sold at prices that barely compensated the costs.

At present, bananas have a profit margin of $3.20 per case after deducting all the production and marketing costs. The plan calls for exporting some 5 million cases, which will be worth about $16 million, he said.

As for cotton, the plan for the 1985-86 period calls for exporting 327,000 bales -- 1,625,000 quintals -- at the approximate average price of $45 a quintal, equivalent to about $60 million. This represents less foreign exchange than during the previous period because prices are now lower, he explained. With the most recent measures announced for the meat sector, it is expected that more cattle will be slaughtered so more meat can be exported.

FURTHER REPORTAGE ON THIRD PCC CONGRESS

Party Program Discussed

FL111850 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] The Communist Party's program is particularly important for every country which intends to build socialism; therefore, this document represented a main topic for analysis, discussion, and approval as a draft by the delegates to the third congress. The Communist Party of Cuba's [PCC] draft Program includes two fundamental aspects: First, everything related to the heroic struggle by the Cuban people for their national independence and socialism, and, second, the party's goals and tasks to fulfill the construction of socialism.

The first part of the draft states how the victorious revolution is not an isolated historical event but a consequence of the struggle waged by the Cuban people since the wars of independence against Spanish colonialism, the Yankee military occupation, the puppet republic, and the nation's real independence on 1 January 1959. It also contains paragraphs referring to an analysis of the historical context in which the revolution emerged victorious and its importance, outlined by Comrade Fidel when saying that in fact, our party was born following the 16 April definitions and the glorious Giron victory, based on all the revolutionaries' and working people's unity, because they are the rightful heirs of the party founded by Balino and Mella in 1925.

This part of the draft program continues with details of the revolution's history, from its victory to current times, and concludes with an analysis of the international scene during the current phase of the construction of socialism in Cuba.

The second part of the draft program defines the main goals of the revolution's current phase; it begins by stating that the party's main goal is the construction of communism in our country and that it will achieve this goal based on the Marxist-Leninist principle of the two phases in a communist society: socialism, or lower phase, and communism, or higher phase. It clearly states that Cuban society has successfully surpassed the transition period from capitalism to socialism and is fully engaged in the construction of socialism. Consequently, the party defines the culmination of this process as the main goal of the historical phase which is encompassed by this draft program.

The document adds that the culmination of socialism's construction is a historical and unavoidable duty for the Cuban people, for the sake of all the exploited and oppressed people on the planet. In addition to discussing other vital points, such as economic strategy, defense, science, and culture, the party document concludes by stating that the third congress asserts its certainty that our people will fully support the party's program, exert themselves to improve it, and turn it into a rallying cry for their work, struggle, and victory.

For your information, here is an important moment from the congress, when the resolution concerning the party's draft program was read, debated, and approved:

[Begin recording] [Carlos Aldana, Central Committee member] Comrade Commander in Chief Fidel Castro, comrade delegates, distinguished guests: The work commission appointed to analyze the draft Communist Party of Cuba program met in the City of Havana between 1730 and 2200 on 5 February 1986, year of the 30th anniversary of the Granma landing, at the Palace of Conventions, site of the third congress. One hundred forty-nine delegates participated in the commission's work; there was only one absence, and it was justified.

As an introduction, we report to this plenary meeting that the text of the draft program was initially prepared in November 1984, after the subcommission was named the previous month by the Politburo. Following a definition of the document's structure, working groups were created to draft the various chapters. In April 1985, the subcommission named a main draft group, which assumed the responsibility for following up the work already underway. In October 1985 the first draft project was subjected to a close analysis under the supervision of the documents commission; in December 1985 it was discussed by the draft program subcommission and, immediately afterward, by the commission in charge of preparing our congress -- which approved it after including various modifications.

The text approved by the central commission was then analyzed by the province delegations, and a copy of this has been given to the delegates. Last night the commission elected by the delegates to the Third PCC Congress examined three types of modifications: First, a group of 14 proposals from the provincial delegates selected from the recommendations presented for the consideration of the congress; second, 15 changes suggested by central drafting group which are the result of analysis that has been developing over the last few weeks; and third, 12 updates of figures and statistical data were introduced which are principally involved in the chapter "Work of the Revolution."

The corresponding minutes state that the commission agreed to include the modifications and updated information presented to the delegates and proposed the congress plenary session adopt the same -- thus approving the party's draft, which will be submitted for analysis and discussion by the Communists, young Communists, workers, and all the people. Thank you. [applause]

[First unidentified delegate] The party's draft program and economic and social guidelines for this 5-year period have some high goals. It will not be possible to achieve those goals without important scientific and technical efforts, which are a direct production force. Therefore, it is necessary for scientific workers to exert themselves to the utmost to fulfill these pledges. The steps taken as a [word indistinct] to scientific and technical activities should be carried out efficiently and complemented.

[Second unidentified delegate] The program correctly urges everyone to learn from Comrade Fidel's expositions, reasoning, and defense of this policy and Cuba's stand. In Camaguey we are already engaged in the application of views that bring us increasingly closer to an evaluation of our ideological work's quality, based on our social conduct and the results obtained from the enforcement of our development plans.

[Third unidentified delegate] We have achieved significant progress. We need to pay more attention to the links between creative workers and the reality about the construction of socialism in our country. In this concern, we have advocated direct contacts between artists and writers, production and service centers, and education institutes and military installations. This does not involve simply a 1-day visit or general tour, but seeking and finding the mechanisms which allow systematic contacts, real and effective links, which leave an impression, awaken interests, offer knowledge, and lead to the creation of new works of art and literature. These should be, as the draft party program aptly describes it, capable of expressing in their rich and multifaceted variety various aspects of Cuban life; these should be works that do not reject or ignore our reality but show it in a faithful, lively and dynamic way. [end recording]

Statutes Commission Report

FL112050 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] The PCC is the organized, Marxist-Leninist vanguard of the Cuban working class. These are the opening words of the resolution about the party's statutes; the resolution reflects the origins of our vanguard organization since the attack on the Moncada Barracks, which marked a new phase in Latin America's struggle for liberation. The document's introduction also states that the PCC represents the driving force of our society and state; rigorously abides by Leninist guidelines on democratic centralism; carries out its daily activities and strategies according to Marxist-Leninist theory and its program; and supports the socialist community, national liberation movements, and progressive forces in the world.

In addition to the introductory paragraph, the statutes have been divided into 11 chapters and 1 draft resolution. The first of 28 articles deals with everything concerning members and candidates, admission into the party's ranks, and promotions to the various levels of leadership, plus the rights and duties of all members and the sanctions approved for violations of regulations.

The subsequent chapters refer to organization principles, party activities, congresses and higher-level organizations, analysis and control commissions, and mid-level assemblies and organizations. The lower-level organizations' work is outlined in each of the articles comprising Chapter Six, which states that the nuclei are the basis of every organized structure within the party and are comprised in the members' and candidates' work centers.

The next chapters reflect the party's relations with the Union of Young Communists, a combative and leading organization; mass and social organizations; and the Revolutionary Armed Forces and the Ministry of the Interior.

An independent paragraph is dedicated to the party's role in times of war. Everything regarding the political organization's finances is also handled independently.

The draft resolution states that the statutes approved in the first congress and modified in the second congress have so far represented a highly important instrument in guaranteeing the party's adequate organization and functions. Nevertheless, the development achieved during recent years has made it necessary to introduce modifications; this is intended to achieve greater flexibility in the drafting of its contents so that it may be better applied by the party's organizations and groups.

[Begin recording] [First unidentified delegate, broadcast in progress]... work commission appointed to analyze the draft modification to the PCC statutes and its corresponding resolution met in the City of Havana at 1700 on 4 February 1986, year of the 30th anniversary of the Granma landing, in room no 4 at the Palace of Conventions, with the participation of 150 delegates and 100 percent attendance. Once the presidency and documentation commission was appointed, the commission was informed about the view used to prepare the project and the process involving the discussion of this document, prior to its presentation at the congress.

The commission in charge of examining, analyzing, and debating the project reached the following conclusions: The PCC statutes, which were approved in the first congress, modified in the second one, and are still in effect today, represent an extraordinarily valuable document for our party's construction and development process, given that they include the Leninist principles and norms that have contributed to improving the party's organizations and leadership and overall discipline and helping our members and candidates adopt an increasingly appropriate attitude toward the (enforcement) of the policies and guidelines outlined by the revolution.

The observance of the party's statutes, the increased growth of its ranks, and the quality of its political work underscores the fact that certain aspects of these statutes are no longer in effect or do not reflect the new needs. The analysis carried out confirmed that the modications to the statutes are not aimed at changing the Leninist principles and norms which are established in them; instead the goal is -- as we previously pointed out -- to adapt them to the experiences acquired during recent years, according to the demands which arose due to the party's improvement and increasing work.

The draft modification analyzed by the commission includes the results of the consultations carried out with the party's mass organizations, municipal and provincial committees' executive bureaus, FAR [revolutionary armed forces] and [Ministry of the Interior] political organizations, and the Central Committee members. It is (?appropriate) to underscore the unanimous opinion that the consultation process was satisfactory, due to both the interest shown in the document's analysis and the number of proposals presented, many of which were of outstanding quality and thoroughness. The commission's analysis was characterized by the quality of all the statements, all of which were aimed at outlining and pinpointing the scope and implications of the proposed amendments. As a result of this analysis, the following agreements were adopted, and we submit them for all the delegates' approval:

1. Approve the draft modifications to the PCC statutes;

2. Approve the resolution concerning the modified statutes which accompanies the document;

3. Add to Article 16, Paragraph C a provision about the members' right to participate as delegates to the party's national conferences; and

4. Include in Articles 64 and 65, which define the minimum number necessary to comprise party committees in work centers and primary committees the provision that the number may change according to the exceptions established by low-level organizations' regulations in this concern. Thank you. [applause]

[Second unidentified speaker] I will first refer to the modification which states that the processes to evaluate, renew, and ratify leading positions within the party committees and work centers will be held every 2 or 3 years instead of every year. This will coincide with [words indistinct], because I think that this measure will greatly benefit the party, since it will allow the low-level organizations to plan their actions with a better knowledge of their work. [end recording]

GUINEA-BISSAU LEADER ADDRESSES PCC CONGRESS

FL111525 Havana Tele-Rebelde Network in Spanish 1659 GMT 5 Feb 86

[Speech by Joao Bernardo Vieira, president of Guinea-Bissau and secretary general of the African Party for the Independence of Guinea-Bissau [PAIGC], at the Third PCC Congress at the Palace of Conventions in Havana -- live; in Portuguese with simultaneous Spanish translation]

[Text] Dear Comrade Commander in Chief Fidel Castro Ruz; comrades of the presidency; comrades. It is our political and moral duty to be present at this very important event in the history of Cuba -- this Third PCC Congress -- to bring to the Cuban people a brief demonstration of our fraternal and combatant solidarity.

Allow us, therefore, on behalf of the people of Guinea-Bissau, especially on behalf of the militants of our vanguard party, the PAIGC, to present our warmest greetings and wishes for the Third PCC Congress to become another victory in the new life you are building, and may your people's aspirations for peace, freedom, progress, and social justice become a reality.

We bring special greetings to your party's directorate and your exemplary leader, Commander Fidel Castro Ruz, [applause] for whom we wish a long life so that he may continue serving the revolution, not only in Marti's glorious homeland but at all the fronts where the people stand firm against injustice and exploitation.

The Cuban revolution has been an inexhaustible source of learning for the struggle for national liberation that our people undertook yeesterday and for today's struggle for progress and welfare in the home of Amilcar Cabral. Of these teachings we wish to stress one that Amilcar Cabral considered of great importance and described in the following quote: In the mobilization, organization, and political education of the people; in keeping them constantly informed of the national and international problems that affect them; and in allowing them to participate in the search for the solutions to these problems the vanguard of the Cuban revolution quickly grasped the essential nature for the dynamic existence of a united and strong party. The Cuban revolution's vanguard not only knew how to interpret justly the objective conditions and specific demands of its people, but also to forge the strongest weapon of all for the defense, security, and continuity of the revolution. As we all know, revolutionary awareness of the popular masses is not and never has been spontaneous, anywhere in the world, end quote.

The climate that has surrounded us since our arrival in Cuba and the revolutionary fervor we feel in this hall shows us, in all its grandeur, the image of this essential factor for the triumph of the Cuban revolution.

In the past, under tragic and sorrowful conditions, our ancestors were brought to Cuba as slaves. But today, we have returned as free men to reinforce based on the historic blood and cultural ties that unite us, a friendship that is indestructible, because it is based on the revolutionary ideals of a common struggle. [applause]

Comrades of the president, comrade delegates: The agitated international political situation, derived from the constant worsening of imperialist contradictions, is becoming a matter of concern because of the negative effects it could have on the domestic situation of each of our countries. The worsening of local conflicts, the threats against peace and international security, and the dangers of a generalized conflict that, if unleashed, could mark the end of mankind, are problems that deserve our attention and the untiring search for just and acceptable solutions.

An end to the arms race, disarmament, and world peace have ceased to be ethical issues and have become central to mankind's survival, transcending the boundaries of morality, whatever its interpretation. Within this framework, it is with great pleasure that we see new hopes being born in the struggle for peace following the summit meeting held in Geneva between the leaders of CPSU and the U.S. Government. We are convinced that this meeting marked the beginning of a new phase of detente and could create a favorable climate for the total and definite elimination of the threat weighing down on humankind.

We are also especially pleased with the new proposals presented by the general secretary of the CPSU regarding disarmament and a moratorium on nuclear experiments. These proposals reveal the USSR's serious intentions in the search for feasible and definite solutions to the problem.

However, the proliferation of small conflicts and threats of the use of force, as well as the survival of systems of oppression and exploitation such as apartheid, which are characterized by the use of extreme violence to perpetuate the power of minorities or to prevent peoples from exercising their legitimate rights to independence and sovereignty, are also important factors that hinder peace and international detente.

Today we are living in a world of interdependence, and it is within this context that we must carry out the struggle for liberation. However, for us liberation also means that each people has the right to decide and choose the path they consider the best to achieve progress and social welfare. It is within this context that we strongly condemn any type of economic or other pressure that would represent an open violation of the right that a people has to freely choose their own system of development.

Your country's successes in achieving the construction of socialism are irrefutable proof of your people's and party's determination. Pressures may make achieving victory more difficulty, but they will never be able to stop it.

We view with concern the situation of foreign intervention in Central America, its interference in the economic and political options, and in the way of life that each country wishes to choose. We do not believe any one country has the right to hinder the advance toward progress and social justice of the peoples of that region. Therefore, within the framework of the policy of nonalignment respected by our state and party, we express our solidarity with the heroic people of Nicaragua who, together with their indisputable guide, the FSLN, continue to struggle for victory. We believe that negotiations can lead to the solution of the problems of the area and contribute to saving human lives and material resources which are so important for the construction of a country. However, these negotiations must be based on the recognition of Nicaragua's sovereignty and independence. In this sense, we support the peacemaking efforts of the Contadora Group. We also express our solidarity with the struggle of our Latin American peoples, especially the Salvadoran people. We are also pleased with the positive evolution that has taken place in several countries of the area following the end of dictatorships.

In the Middle East, the Palestinian issue remains the focus of attention, and its solution is essential for the achievement of peace and stability in the region. We support the just struggle of the Palestinian people under the leadership of the PLO. They are struggling to see their legitimate aspiration fulfilled: the creation of a free and independent homeland. The solution to this problem is indispensable for the overall solution of the problems that affect that area.

On our continent we continue to see a worsening of tensions in South Africa. The racist regime of Pretoria is the only one to blame for this situation. This regime, through increased repression, is attempting to extend the existence of the hateful apartheid regime. In the face of the growing organization in the struggle of the South African people, under the leadership of the ANC [African National Congress], and in the face of the fact that its administration is coming to destabilize the countries of the region, especially in Angola. Angola is constantly seeing its territory invaded and occupied by the racist regime.

In Namibia, in complete violation of the decisions adopted by international organizations and despite unanimous condemnation of the peoples, the African regime remains bent on maintaining its illegal occupation of the area.

Aware of the urgent need to resolve these problems, and essential step toward the construction of progress on a continent that has been tormented for centuries, we reiterate our support for the ANC and SWAPO [South-West African People's Organization] in their glorious struggle for the liberation of their peoples. The independence of Namibia will be an important step for our continent and a stabilizing factor in the area. However, the solution to this problem must not and should not be subject to conditions other that the mechanism established in UN Resolution No 435. For this reason, the solution of the Namibian problem cannot be conditioned to the withdrawal of Cuban troops in Angola. These Cuban troops are in Angola fulfilling an internationalist duty and in response to the explicit wishes of two sovereign states.

A just solution to the problems of South Africa calls for the total participation of the black majority in the exercise of power in Namibia and South Africa and the establishment of a democratic regime. Africa must be freed of foreign domination. Big steps have already been taken along this path, and colonialism has already lost many of its positions; however, it has not been totally destroyed. Imperialism is also seeking to recover this power through neocolonialism and areas of influence. However, no force will be able to stop the advance of history and the total liberation of Africa. This is why we are sure that the brave Saharawi people who, under the leadership of the Polisario Front, picked up weapons to free themselves of the foreign yoke, will find the just solution to end the foreign occupation of part of their land.

We also recall the seriousness of the situation experienced by the (Maobere) people in East Timor. They are victims of a genocidal attempt to keep them from exercising their legal right to independence and freedom. We reaffirm our total support for the struggle of the (Maobere) people, under the leadership of their vanguard, the Fretilin [Revolutionary Front for an Independent East Timor], in their search for a just and negotiated solution that will end the genocidal escalation this people are enduring.

Comrades of the presidency; comrade guests; the mechanisms of imperialist economic domination use every possible means to perpetuate the unrestrained exploitation of developing countries. The international monetary system is a source of disparity and injustice worsened by the prevailing imbalance in trade exchange. Within this framework, one of the most serious problems that our developing countries face is the huge foreign debt and its interest. This strongly burdens our economies. We highly appreciate the prompt analysis of the problem made by Comrade Fidel Castro Ruz.

In this sense, the OAU drafted a line of action for the African countries, taking the current situations of our countries into consideration. The OAU calls for a new international economic order; this is not only necessary but urgent. As far as we are concerned, this new order is as important for world peace as disarmament.

Comrades of the presidency, comrade delegates: Comrade Fidel Castro and Amilcar Cabral were the great forgers of the excellent and strong traditional relations of friendship and camaraderie that exist between the PAIGC and the PCC. We, as faithful followers of our immortal leader, do all that we can to expand and consolidate these relations. I come here as secretary general of the PAIGC, as a freedom fighter, and as your brother and comrade in the trenches of this common anti-imperialist struggle, to bring to you these words that express the ties of solidarity and deep friendship between our two peoples and parties. My presence here among you, and seeing so much revolutionary enthusiasm and fervor in this hall and in this country, also represents the rebirth of my energies to continue our struggle.

We will leave El Che's and Fidel's glorious homeland more firm and decisive, aware that among you we have strong friends on whom we have relied and will be able to rely in our difficult moments, just as we did yesterday. [applause]

Just like yesterday, during the difficult days of our struggle for national liberation, Cuban internationalist comrades shed their blood and sacrificed by suffering and dying under the same conditions and experiencing the same tortures we did. However, they never publicized this. Today at this congress we thank those who died and those who helped us rebuild the homeland of Amilcar Cabral. We pay tribute to Eligio, Cadete, Chopa, Casimiro, Abade, Ciquera Medico, and Arguelies, who also fought in Guinea-Bissau, and many other comrades who are here today, who are officers today. Before me I see Comrade Tomasevich [applause] and many other comrades like Peralta, who was taken prisoner and tortured in PIDE [International Police for Defense of the States] jails in Lisbon. Many were wounded: Burgos, Quindelan, and others.

These are things that the people of Guinea-Bissau and our combatants will never be able to forget. This explains our solidarity and cooperation of the past 20 years. Some of the young people who were born during those days and who were not aware of our situation and cooperation will learn of this today. The blood of the Cuban people was shed in the free homeland of Amilcar Cabral. It was also the foundation of our victory. For this reason, the success of your work is also a foundation of our victory in the struggle we are waging in our country.

The slogan of the Cuban revolution continues to vibrate deeply within us, and today more than ever we feel it. Fatherland or death, we will win! [preceding phrase in spanish] Onward Comrades. [applause]

GORBACHEV, OTHERS CONGRATULATE FIDEL CASTRO

Gorbachev Message

FL082030 Havana Television Service in Spanish 1800 GMT 8 Feb 86

[Text] CPSU General Secretary Mikhail Gorbachev, has sent a message congratulating Fidel Castro Ruz on his reelection as first secretary of the PCC Central Committee.

Gorbachev highly praised the work of the third congress and the agreements which open new perspectives for the Cuban people. The CPSU secretary said Cubans can be assured of the unfailing solidarity of the Soviet Union with the island of freedom and of the strengthening of Soviet-Cuban friendship based on Marxist-Leninist principles and socialist internationalism.

Hungary's Kadar

LD111116 Budapest MTI in English 1024 GMT 11 Feb 86

[Text] Budapest, February 10 (MTI) -- Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, has cabled his greeting to Fidel Castro on the occasion of his reelection as first secretary of the Central Committee of the Communist Party of Cuba.

Mongolia's Batmonh

OW101400 Ulaanbaatar MONTSAME in Russian 1548 GMT 8 Feb 86

[Text] Ulaanbaatar, 8 Feb (MONTSAME) -- Below is the text of Comrade J. Batmonh's message of greetings sent to Fidel Castro Ruz:

To the first secretary of the Central Committee of the Communist Party of Cuba, Comrade Fidel Castro Ruz, Havana; Dear Comrade Fidel Castro:

On behalf of the MPRP Central Committee, all Mongolian people, and on my own behalf, I warmly and sincerely congratulate you on your reelection to the high and responsible post of first secretary of the Central Committee of the Cuban Communist Party [PCC].

The Communists and the working people of our country very attentively followed the proceedings of the Third PCC Congress of the Cuban Communist Party, which was an important event in the life of the Cuban people and which has made a great contribution to the consolidation of the positions of world socialism and international communist, workers, and national liberation movements.

We firmly believe that the fraternal friendship and cooperation of our parties and peoples, based on the firm principles of Marxism-Leninism and socialist internationalism, will continue to develop and strengthen in the interests of unity and solidarity of the countries of the socialist community.

From the bottom of my heart, I wish you, dear Comrade Fidel Castro, good health and new successes in your untiring activity for the benefit of fraternal Cuban people, in the struggle for peace and international security.

J. Batmonh, general secretary of the Central Committee of the MPRP

Ulaanbaatar City, 8 Feb 1986.

DPRK, PRK, Others

FL110226 Havana Radio Rebelde in Spanish 0000 GMT 11 Feb 86

[Text] Jose Ramon Fernandez, alternate member of our party's Politburo, took leave this afternoon of Pak Song-chol, vice president of the DPRK and member of the Korean Workers' Party Central Committee Politburo.

Nguon Nhel, candidate Politburo member of the Central Committee of the People's Revolutionary Party of Kampuchea and first secretary of the Phnom Penh Party Committee, also departed from our country after attending the third party congress. Dr Julio Tejas, Central Committee member, saw him off.

Mrs (Barbatos Sisnam), member of the Executive Committee of the Communist Party of India-Marxist, was seen off by Pedro Ross, Central Committee member.

(Thomas Peroraya), representative abroad of the Communist Party of Indonesia, was seen off by Felix Perez, official of our Central Committee.

Ethiopian, Congolese Depart

FL111612 Havana Radio Progreso Network in Spanish 1200 GMT 11 Feb 86

[Text] Shimelis Mazengia, member of the Political Bureau of the Secretariat and chief of the Ideological Department of the Ethiopian Workers' Party, has returned to his country after participating as a guest at the Third PCC Congress. Politburo member Jorge Risquet saw off Mazengia and Bernard Combo-Matsiona, Congolese Labor Party Politburo member and labor and social security minister.

European, Mideast Delegates

FL112032 Havana Radio Periodico Del Aire in Spanish 1700 GMT 11 Feb 86

[Excerpt] Delegates who have departed after participating in the Third PCC Congress are (Julius Verganin), member of the Belgian Communist Party Politburo, and (George Fornial), official of the French Communist Party international section.

[Chasi Eli Mansor), member of the Central Committee of the Lebanese National Union Front and head of its foreign affairs with socialist countries, left last night after participating as a guest in the party congress. Others who returned to their countries were ('Abd Al-Asid Ahmad), member of the Communist Party of Jordan Politburo, and (Ali Muhammad) member of the National Liberation Front of Bahrain Politburo.

NICARAGUA'S ORTEGA NOTES CUBAN ASSISTANCE

FL082018 Havana Radio Reloj Network in Spanish 1925 GMT 8 Feb 86

[Text] Upon his return to Managua from Havana, Nicaraguan President Daniel Ortega stressed Commander in Chief Fidel Castro's statements that Cuban assistance to Nicaragua would increase if the United States increases assistance to the counterrevolutionaries.

In a brief statement to the press, the Nicaraguan leader said all the delegates who spoke at the Third PCC Congress expressed their support for the Sandinist government and people. Ortega also stressed Castro's statements in favor of a negotiated and peaceful solution to the Central American conflict.

Ortega conveyed a greeting of solidarity from the Cuban people to all Nicaraguans and stressed the Salvadorans' decision to assist the Sandinist people if the United States makes a direct act of aggression against Nicaragua.

ARMANDO HART TO ATTEND MEETING IN NICARAGUA

FL102031 Havana Television Service in Spanish 1800 GMT 10 Feb 86

[Text] A Cuban delegation headed by Politburo member Armando Hart Davalos travelled to Nicaragua to participate in the Latin American and Caribbean political parties' conference for peace and against intervention. Moments before departing, the culture minister discussed Cuba's position at that multi-party meeting.

[Begin recording] We will say there what Cuba has repeatedly expressed through Comrade Fidel on the subject. First, we have to wage this battle together; this battle cannot be waged if we are not all united. Second, we have to maintain firm positions and principles in order to guarantee the foundations of nonintervention. If we are not firm and do not sustain our principles, then U.S. arrogance will be greater. In general, we will reiterate the position Cuba has been maintaining regarding issues such as Contadora and negotiated solutions based on the acceptance of each of our countries' independence and sovereignty. [end recording]

Ortega Comments

FL111830 Havana Radio Reloj Network in Spanish 1514 GMT 11 Feb 86

[Text] Upon inaugurating the Latin American and Caribbean political parties conference, Nicaraguan President Daniel Ortega has accused the United States of pressuring and threatening the Contadora and Support Groups to end their support for Nicaragua.

Ortega praised Contadora's efforts to end U.S. aggression and initiate dialogue with Nicaragua. The Contadora Group consists of Mexico, Venezuela, Colombia, and Panama. Argentina, Peru, Brazil, and Uruguay compose the Support Group.

The highest Nicaraguan leader said the White House is trying to impose its policy of force against that peacemaking group. Ortega stressed that Latin America is obliged to struggle with dignity, decision, and firmness against the U.S. policy of force.

Ortega said that once again Latin American unity is necessary, unity of the people who are victims of the economic crisis and unjust relations. Ortega called on the peoples of the world to strengthen unity around the defense of the Sandinist revolution, to defend Latin America's capability to struggle.

The highest Nicaraguan leader said Latin America's problem will not be resolved by surrendering to U.S. blackmail and threats, which would create more crises and erase democratic advances from the political scene.

Ortega asked the conference particpants to express the people's decision to struggle for defense of regional independence, peace, and sovereignty.

VOA BROADCASTS IN CREOLE TO HAITI NOTED

FL081430 Havana Radio Progreso Network in Spanish 1200 GMT 8 Feb 86

[Text] The official radio station of the United States Government, Voice of America [VOA], began surprise broadcasts to Haiti last night in Creole and English. The equipment being used is located in the south Florida keys. According to well-informed sources in Washington, the VOA radio broadcasts to Haiti were ordered by the White House as part of a contingency plan directed by the CIA and the Pentagon.

ANPP VICE PRESIDENT ARRIVES IN POLAND 11 FEBRUARY

FL112230 Havana Radio Reloj Network in Spanish 2158 GMT 11 Feb 86

[Text] Severo Aguirre, vice president of the National Assembly of the People's Government, ANPP, arrived in Poland today to participate in a consultative meeting of socialist countries, which will be held 12-13 February.

The Cuban leader heads the delegation that will attend the Interparliamentary Union Conference in Mexico in April.

DELEGATION TO TANZANIA TO AID SUGAR PRODUCTION

FL081726 Bridgetown CANA in English 1317 GMT 8 Feb 86

[Text] Dar es Salaam, Feb 8, CANA-REUTER -- An eight-man Cuban delegation led by Deputy Minister for Sugar Gilberto Illerena has arrived in Tanzania to help to boost the country's sugar production. The team will tour sugar plantations and factories in Moshi, Kilombero, Mtibwa, Mahonda, and Zanzibar, the state-owned DAILY NEWS reported today.

They will report to the Tanzanian and Cuban governments.

Tanzania produces 134,000 tonnes of sugar a year.

The agreement to seek Cuban expertise to help to raise production was reached during former President Julius Nyerere's tour of Cuba last year.

IRTO TECHNICAL COMMISSION MEETS IN HAVANA

FL111620 Havana Radio in Progreso Network in Spanish 1200 GMT 11 Feb 86

[Text] In Havana, Central Committee member Ismael Gonzalez has underscored the support and aid the International Radio and Television Organization [IRTO] socialist member countries have given Cuba to counteract Yankee imperialism's diversionist maneuvers. Gonzalez, who is also president of the Cuban Institute of Radio and Television, welcomed delegates from the GDR, Bulgaria, CSSR, Hungary, Poland, and the Soviet Union attending the 11th meeting of the IRTO Technical Commission.

Advances in Radio Services

FL111825 Havana Tele-Rebelde Network in Spanish 1200 GMT 11 Feb 86

[Text] Cuban radio and television investments during the current 5-year period will be double all those made in the country since the triumph of the revolution, Ismael Gonzalez Gonzalez, Central Committee member and president of the Cuban Institute of Radio and Television [ICRT], has reported at the opening of the 11th meeting of the International Radio and Television Organization Technical Commission Bureau.

The ICRT president said national broadcasting's aim is to eliminate over these next 5 years the so-called silence zones, small isolated areas in the country where Cuban stations cannot be clearly heard.

He also noted that 2 national channels and 7 provincial television channels operate in Cuba, as well as 53 radio stations, 7 of which cover the entire country.

GRENADA

GOVERNMENT ISSUES PROGRAM FOR REAGAN VISIT

FL111928 Bridgetown CANA in English 1908 GMT 11 Feb 86

[Text] St Georges, Feb 11, CANA -- The Grenada Government issued details of the programme for the four-hour visit by President Reagan on February 20 today, describing a public rally at which he will speak as the highlight of the first ever visit by an American leader. Reagan's visit comes more than two years after American troops stormed the island to topple a leftist junta that had seized power in a bloody coup.

The rally will also be attended by Caribbean leaders who are coming to Grenada to discuss economic and security issues with the U.S. President. There will be two cultural presentations, the release said, to give Reagan a taste of local culture.

The President will be greeted by a 21-gun salute on his arrival at the Point Salinas airport which Washington had described as a Cuban and Soviet military base during its construction under Grenada's leftwing People's Revolutionary Government (PRG).

The airport was completed largely with American funds after Governor-General Sir Paul Scoon expelled Cuban construction workers in the aftermath of the October 1983 invasion.

The statement said that on the arrival of the President at the airport, the head of Grenada's foreign service Florence Rapier and U.S. Charge D'Affairs to the island Roy Haverkamp would board the presidential aircraft to welcome Reagan. After descending the aircraft, the President will be greeted by the Governor-General Sir Paul Scoon and Lady Scoon and the Prime Minister Herbert Blaize and Mrs Blaize. Blaize will then introduce Reagan to members of his Cabinet, opposition leader Marcel Peters, Chief Justice Denis Byron, and the president of the Grenada Conference of Churches.

The President will unveil a plaque at the airport and immediately afterward leave with Sir Paul for the Grand Anse campus of the American medical school on the island to lay a wreath at a monument erected for 19 American soldiers killed during the invasion. After the wreath laying, the governor general and the President will proceed to Government House. There, Reagan will have separate talks with the governor general and Prime Minister Blaize before holding discussions with the Caribbean heads of government.

Following the discussions, the President, the governor-general, Prime Minister Blaize and other dignitaries will journey to Queens Park for the big occasion, the release concluded.

HAITI

HUGE CROWDS CHEER REBEL LEADER JEAN TATOUN

FL112122 Bridgetown CANA in English 1949 GMT 11 Feb 86

[By John Cotter]

[Excerpts] Gonaives, Feb 11, CANA-REUTER -- Tens of thousands of Haitians today converged on this historic market city to cheer and try to touch a secret hero of the rebellion that toppled three decades of dictatorial rule by the Duvalier family.

The man they came in open trucks, brightly coloured taxis, and even on donkeys to honour was 24-year-old Jean Tatoun, who can neither read nor write.

They call him the magician because he has been hunted for months by the Tontons Macoutes and when they knocked on his door he would vanish, said local businessman Stephen Moies.

The revolt against the Duvalier government began in this city, where Haiti declared its independence from France in 1804, 18 months ago when three students were shot dead while staging a peaceful protest.

Tatoun and six friends then started an underground war against the Tontons Macoutes, attacking them. Soon Tatoun became one of the most hunted men in Haiti and with last week's overthrow of Duvalier, one of its heroes. They say he used a poison power against the Tontons, said Moies.

Tatoun told REUTERS he was not happy with some members of the new civilian-military government, who he said had collaborated with the Duvalier family. We want quick elections, we want freedom, said Tatoun.

Sources close to the government said last night: Elections will be held. But the question is not one of having them quickly, but of having them properly. I think it could be three years before the ground is prepared.

LOOTING RESUMES, LIST OF DEMANDS CIRCULATES

FL112302 Bridgetown CANA in English 2244 GMT 11 Feb 86

[By Phil Davison]

[Text] Port-au-Prince, Haiti, Feb 11, CANA-REUTER -- Angry Haitians today looted the home of a wealthy businessman suspected of belonging to the Tontons Macoutes secret police of deposed President Jean-Claude Duvalier amid strong signs that the impoverished island nation's problems were far from solved.

Hundreds of people pillaged the home in the Portaille Leogane district before troops arrived and fired in the air to disperse the attackers. The man in question was not believed to have been in the house.

The homes of dozens of wealthy people have been looted in the past three days but all were believed to have links with Duvalier or the hated Tontons Macoutes.

Today's looting incident and gunfire was the first violence since Sunday but came as many Haitians began speaking out openly against the new military-led government which took over from Duvalier, who left the country on Friday.

An unsigned document was circulated throughout the capital listing 25 demands it said were from the Haitian people.

They included the extradition of Duvalier, the removal of two of the six members of the military-civilian junta, the formation of an entirely new cabinet representing the nation, the trial of Duvalier's Tontons Macoutes members, and the arrest of anyone who diverted public funds during the 28 years of Duvalier dynasty.

The document, headed Petition (? National) Government Council -- the People's Demands, also called for a return to the pre-Duvalier constitution, free elections at all levels, the elimination of torture, and the establishment of free trade unions and political parties.

Diplomats here said they did not know who was behind the document but that it appeared to reflect widespread sentiment here as Haitians took time to ponder what had really happened last week.

The initial feeling when Duvalier left was one of euphoria by many Haitians new talk of the revolution having been cut short by a military coup.

Tens of thousands of Haitians today converged on the historic market city of Gonaives to cheer and try to touch a secret hero of the rebellion that toppled Duvalier.

MORE MEMBERS OF DUVALIER FAMILY FLY TO PARIS

FL111431 Bridgetown CANA in English 1412 GMT 11 Feb 86

[Text] Geneva, Feb 11 CANA -REUTER -- Several members of the family of self-exiled former Haitian President Jean-Claude Duvalier left this morning for Paris from the French section of Geneva's Cointrin Airport, official sources said.

Seven members of the Duvalier family, including two of his brothers-in-law and a sister flew our on a Swissair plane, one source said.

Other soures mentioned only several members of the family, including two infants and a man and woman.

The Duvalier family, which ruled the Caribbean island nation for 28 years, owns two homes near Paris.

Duvalier, 34, fled on Friday after several weeks of violence. A U.S. Air Force plane carried the self-styled president for life, his wife Michele and a 22-person entourage to Grenoble in eastern France.

Duvalier has been staying the luxury Labbaye Hotel in the French Alpine resort village of Talloires while French and U.S. officials sought to find a permanent exile for them.

Numerous countries, including Switzerland, Greece, Morocco and Gabon have refused to admit Duvalier and his entourage.

Those who left today were able to reach the airport without entering Swiss territory. A short road connects the French section of Cointrin Airport to France.

JAMAICA

GOVERNMENT AIDED DUVALIER DEPARTURE DECISION

FL071600 Bridgetown CANA in English 1545 GMT 7 Feb 86

[Text] Kingston, Feb 7, CANA -- Jamaica said today it had helped Haitian dictator Jean-Claude Duvalier make up his mind to surrender office in the interest of avoiding potential bloodshed.

The state-run JAMPRESS news agency issued a statement to this effect, hours after the news broke that Duvalier, faced with weeks of widespread anti-government violence at home, had fled the country with his family on a U.S. Air Force plane, initially for France.

JAMPRESS said Prime Minister Edward Seaga, concerned about the possibility of Haitian strife which could project a picture of Caribbean instability and adversely affect tourism and investment prospects, had dispatched a special emissary to Port-au-Prince last weekend.

The envoy, Minister of Social Security Dr Neville Gallimore, met with President Duvalier for three hours last Sunday and discussed the options facing the regime with a view to encouraging the president to demit office in the interest of his people and for the good of the Caribbean in general, JAMPRESS said.

It went on: A second meeting of one hour took place on Monday with President Duvalier and his wife, Michele, and a specific decision was requested from the president.

On Tuesday at midday, Dr Gallimore informed Seaga that President Duvalier had decided to demit office by tomorrow to avoid strife and blood-shed in Haiti. Dr Gallimore returned from Haiti to brief Seaga and Deputy Prime Minister and Minister of Foreign Affairs Hugh Shearer.

Jamaica is one of the countries geographically nearest to Haiti, the statement said, and the possibility of strife and bloodshed in that country could have serious consequences for us. Such a situation in Haiti would inevitably project a picture of instability in the region with serious implications for tourism and investment prospects.

In addition, there was already a history of Haitian refugee movement to Jamaica which undoubtedly would have become more acute with further deterioration of the situation there, JAMPRESS said.

Investigations revealed that a large cross-section of the Haitian community, including the churches and other influential sectors, was disenchanted with the regime and that a serious escalation of disruption and violent conflict was imminent, the agency added, and these considerations were among the main factors that led the government of Jamaica to take an urgent initiative.

JAMPRESS said Jamaica hoped the new leadership will quickly settle down to effect meaningful reforms, based on respect for the civil rights of the people of Haiti, which will offer the prospect of greater participation within a democratic process and improvement in the social and economic circumstances of the country.

Duvalier, on his departure before dawn today, turned over power to a military-civilian commission, sparking wild celebrations in the streets of the capital city.

A cheering crowd of thousands gathered at the presidential palace as word spread of Duvalier's departure. The crowds danced, sang and screamed with joy. They lifted passing soldiers into the air, mobbed jeep-loads of troops to try to pat them on the back, and shouted "Vive l'Armee" (Long live the Army), leaving no doubt that they believed the Army had persuaded Duvalier to leave.

U.S. Denies Involvement

FL072000 Bridgetown CANA in English 1934 GMT 7 Feb 86

[Excerpts] Kingston, Feb 7 CANA -- U.S. officials here said today Jamaica had acted on its own and not at Washington's behest when it helped to persuade Haitian dictator Jean-Claude Duvalier to give up the government and go into exile.

The Jamaica Government announced its role only hours after it was revealed that Duvalier and his family had left Haiti at dawn aboard a U.S. military plane for France.

From all I can see it was a Jamaican initiative, U.S. Embassy spokesman Donald Beesom told CANA, after opposition suggestions here to the contrary.

The Marxist Workers Party of Jamaica (WPJ), which welcomed Duvalier's departure, culminating over two months of protest against the 28-year family dynasty, made a specific connection in a statement today.

It claimed that Jamaica might have acted as a go-between following the premature announcement a week ago by White House spokesman Larry Speakes that the Duvalier regime, started by his Father Francois Duvalier in 1957, had fallen.

Diplomatic sources here contended that no matter where the idea originated Jamaica could have discussed the issue with the Americans.

OPPOSITION PROTESTS SEAGA'S ECONOMIC POLICIES

FL111940 Bridgetown CANA in English 1911 GMT 11 Feb 86

[Text] Kingston, Feb 11, CANA -- Placard bearing supporters of the opposition People's National Party (PNP) demonstrated in Kingston, the capital, and two other Jamaican towns today aginst the tax policies of the Edward Seaga government.

In Kingston, fewer than a hundred people stood outside the tax collectors office, but party officials said the turn out was greater in Montego Bay in the north west and mid-island town of Mandeville.

The planned demonstrations were not previously announced.

PNP General Secretary Paul Robertson said the demonstrations were to remind the public of Seaga's pre-government statements that Jamaicans were over-taxed and his 1980 manifesto promise not to impose heavy taxes to improve government revenues for the budget.

Seaga has had to impose heavy taxes as part of agreements with the International Monetary Fund (IMF) for fiscal tightening.

The latest was a set of measures announced in January to raise J73 million dollars in the last quarter of the current fiscal year and a further J218 million in fiscal 1986-87 starting April.

New measures to raise another J277 million dollars are to come when the prime minister announces his budget.

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ANTI-DRUG OFFICIAL DISCUSSES DRUG SMUGGLING

PY121718 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 12 Feb 86

[Interview with Jaime Malamud Goti, executive vice president of the national commission for the control of drug trafficking, by unidentified TV reporter; date and place not given -- recorded]

[Text] [Reporter] Jaime Malamud Goti, executive vice president of the National Commission for the Control of Drug Trafficking and Consumption, said that Argentina is largely responsible for the export of certain chemicals to neighboring countries where they are then turned into cocaine. The national government intends to try to prevent contributing to the production of these drugs which are probably the most harmful. Therefore it intends to take various measures, some of which have already been implemented.

First, these measures seek to prevent the accumulation in border areas of substances which are frequently turned into cocaine hydrochloride or heroin. These measures also seek to provide customs agents with a more effective way of controlling the transport of these drugs and of preventing the accumulation of the substances produced with these chemicals. Malamud Goti referred to Argentina's position regarding drug trafficking in the Southern Cone.

[Malamud] We could say that Argentina is in a privileged position due to its geographical location and probably due to the economic factors which are public knowledge. There are no drug trafficking organizations strong enough to challenge the government forces. However, I believe that this problem should be taken seriously since the well-being of our neighboring countries depends on the Argentine cooperation. This problem, one way or another, will also have its effect in our country. I believe that, strictly speaking, our country does not produce drugs. It is a country that does not produce cocaine, and marijuana production is very small. The marijuana plant is very easy to grow anywhere, but its cultivation is quite controlled. However, I think that Argentina has a big responsibility because it is an industrialized country in the Southern Cone. Therefore, it exports substances that are used for various purposes, most of them legal, but the export of these chemicals also contributes to the production of cocaine.

A decree about to be approved prohibits border traffic of substances such as ether, sulfuric acid, acetone, etc. that are considered basic chemical substances for the production of cocaine. I believe that with these measures we will prevent drugs from coming into the country and from being distributed throughout the Southern Cone.

[Reporter] It has been said that Bolivia is one of the neighboring countries that imports the largest quantity of these Argentine chemical substances for cocaine production. Is there a treaty in this regard with the Bolivian authorities?

[Malamud] Yes, we are in contact with Bolivian Government officials and contact has even been established with the organizations in charge of controlling drug trafficking in the two countries. I am referring to the police forces, the border guards, etc. However, I would not say that the problem lies exclusively with Bolivia. We also have a few problems with Paraguay. A great quantity of marijuana comes from Paraguay. We also have cases of smuggled (?opium) from southern Chile.

INDUSTRY SECRETARY ANNOUNCES EXPORT PROGRAMS

PY122037 Buenos Aires BUENOS AIRES HERALD in English 11 Feb 86 p 3

[Text] (NA-DYN) -- Industry and Foreign Trade Secretary Roberto Lavagna announced new industrial promotion measures yesterday that centre on beefing up exports. Aims include reinvigorating regional economies through export-promotion of their products, and modernizing small- and medium-sized exporting business through credits.

In a press conference yesterday, Lavagna called the package of measures "the indispensable corollary for successful continuance of the stabilization process" of the Austral economic plan. Lavagna announced that export duties on 42 agricultural and industrial products will be reduced early next month. He also said that the Special Export Programmes, announced by Economy Minister Juan Sourrouille last week, will benefit 13 branches of industrial promotion and will have a budget of 47 million australs.

A "federal export network, " designed to increase exports, will be created that will function in all provinces and will be computer -equipped, said Lavagna. He said the Special Export Programmes will benefit exporting companies and consortiums that plan increases in export of at least 2 million dollars for at least two years. The companies then will be paid back 15 percent. The export-promotion package outlined by Sourrouille was decreed by the executive on Saturday.

Lavagna said the government expects a 30 percent increase in exports this year, equal to 500 million dollars. He said that increase alone would push the gross domestic product up between 0.5 and 0.7 percent. He also said an agreement had been signed with Italy opening up a credit line worth 60 million dollars over 20 years, with a five year grace period and 1.75 percent annual interest, for Argentine computer and agro-industrial companies. Lavagna said the agreement was signed "with the idea of favouring the formation of Italo-Argentine companies."

Meanwhile, National Customs Administration (ANA) administrator-general Juan Carlos del Conte announced neasures that he said "would facilitate foreign trade through all possible means." The measures center on streamlining procedures for exports and reducing bureaucracy. ANA also announced that it reduced its number of agents and cut overtime work by 67 percent during 1985, and that total customs duties for last year reached 1.514 billion (thousand million) australs.

Argentine Rural Society president Guillermo Alchourron said he was sceptical of the whole industrial export promotion plan. Alchourron said the plan was an "industrial adventure" which concerned him "because Argentina is a country of adventurers in lots of things."

BRIEFS

PRESIDENTIAL ADVISER APPOINTED -- Buenos Aires, 11 Feb (TELAM) -- Through Executive Branch Decree No 199, Dr Victor Carlos Marchesini was appointed today adviser to President Raul Alfonsin. [Summary] [Buenos Aires TELAM in Spanish 0113 GMT 12 Feb 86 PY]

TIES WITH CUBA DELAYED BY MADRID INCIDENT

PY130249 Sao Paulo VEJA in Portuguese 5 Feb 86 p 27

[From the "Radar" column]

[Text] The disastrous attempt by a group of Cuban diplomats to kidnap former Cuban Planning Vice Minister Manuel Sanchez Perez in downtown Madrid has had a heavy impact on Brasilia. The National Intelligence Service (SNI) has recommended that the government reassess the political benefits of resuming relations with Havana. The SNI contends that if Fidel Castro's regime acts too brazenly in a country with which Cuba maintains close ties, it could commit worse actions in Brazil. Taking heed of these allegations, President Sarney has decided to postpone indefinitely the exchange of ambassadors with Cuba.

ALCOHOL PRODUCTION, OIL EXPLORATION SCALED DOWN

PY081654 Brasilia Radio Nacional da Amazonia Network in Portuguese 9000 GMT 8 Feb 86

[Excerpts] Recent reductions in the price of oil in the international market have brought about changes in the Brazilian automitive energy sector. During a meeting with ministers of the economic area yesterday, President Sarney decided to reduce the emphasis on the Pro-Alcohol Program, as well as investments in exploration by the Brazilian Petroleum Corporation.

Antonio Frota Neto, Planalto Palace Spokesman for economic matters, said that the Pro-Alcohol Program will continue but in a way that will meet the current interests of the country. General Roberto Franca Dominguez, chairman of the National Council for Petroleum, said that the reduction in the price of oil on the international market will mainly affect the alcohol and coal producing areas.

CARVAJAL DISCUSSES PENSIONS, BORDER TROOPS

PY122152 Santiago Domestic Service in Spanish 1630 GMT 12 Feb 86

[Live relay from Government House by reporter Rosa Sanchez]

[Excerpts] Acting Interior Minister Vice Admiral Patricio Carvajal announced a few minutes ago that the government is studying the situation of the pensions of all retired people, military, and civil servants. Carvajal also announced that top Chilean and Peruvian military commanders will meet in May to study the possibility of withdrawing troops from the common border area. It must be recalled that this was already announced a few months ago by President Pinochet during a tour to Iquique. Carvajal said that this measure is being studied and will be discussed during the meeting in May.

Regarding the lawsuits filed by the Interior Ministry against these political leaders, Carvajal said that they arenot being harassed but rather they are being sued in the courts. Asked about the enlargement of the Mataveri Airport landing strip on Easter Island, Carvajal said operations were not suspended after the Challenger accident, and NASA, which is responsible for the Mataveri project, has not requested the Chilean Government to stip the project.

Arms to Terrorists

PY130212 Santiago Radio Chilena in Spanish 2200 GMT 12 Feb 86

[Text] Defense Minister Vice Admiral Patricio Carvajal, who is also acting interior minister, asserted today that the government knows where the arms used in terrorist actions come from and recalled that there are countries in the service of international communism and terrorism. The minister made the statement after attending a mass at the General Cemetery for the Carabineros who died from wounds sustained in a car bomb explosion. Carvajal said that this action is not isolated.

SUSPECTED VINA DEL MAR TERRORISTS CHARGED

PY130339 Santiago Radio Chilena in Spanish 2200 GMT 12 Feb 86

[Text] The seven members of a group of extremists who, according to the Fifth Region Intendant's Office, intended to commit terrorist actions during the Vina del Mar Song Festival have been charged with violations of laws on weapons and explosives control by Judge Advocate Juan Solis.

Those charged are Leonardo Lautaro Ugalde Gonzalez, 28, military instructor; Miguel Angel Bernardino Cabrera, 19; Maria Isabel Oviedo Urbina, 19: Magdalena Marisol Flores de Jarro, 22, nurse; Alejandro Manuel Barriga Travna, 18, Playa Ancha University student; Patricio Fuente Gomez, 19; and Jessica Gimena Fernandez. The first two are being held incommunicado.

They were arrested last week and the CNI [National Intelligence Center] said that they were arrested for possessing explosives, weapons, ammunition, medical supplies, and incriminating documents. The CNI also said that these seven people might be responsible for several explosions that took place in Vina del Mar before their arrest.

BETANCUR MESSAGE ON CANCUN DECLARATION REPORTED

PA130145 Caracas EL NACIONAL in Spanish 3 Feb 86 p D 13

["Telegram" from President Belisario Betancur to Venezuelan President Jaime Lusinchi and Mexican President Miguel de la Madrid; no date given]

[Text] To His Excellency, Jaime Lusinchi, President of Venezuela, Caracas; and His Excellency, Miguel de la Madrid, President of Mexico, Mexico City.

Your Excellencies:

With my respectful greetings, I am pleased to inform you that I have carefully read the joint declaration you issued a few hours ago, on the occasion of your successful meeting in the city of Cancun, to analyze the effects of the current oil crisis in the concert of world economy.

In that declaration, you express serious concerns, which Colombia fully shares. There is no doubt that the dramatic drop in oil prices will definitely affect the terms of exchange -- which have been at a deteriorated level for a long time -- of our Latin American region, a phenomenon that will further hinder the handling of our heavy foreign debt. Colombia fully supports the Cancun declaration and, as member of the Cartagena Consensus Follow-Up Committee, it favors holding an emergency meeting as soon as possible.

Likewise, as a future exporter of the product, it is ready to help in recovering and upholding order in the international markets.

Receive, Your Excellencies, the highest sentiments of my consideration and esteem.

Belisario Betancur, President of Colombia

MINISTER SAYS NICARAGUAN WEAPONS CASE CLOSED

PA121757 Bogota Television Service in Spanish 0000 GMT 12 Feb 86

[Text] The foreign minister said today that the case involving the Nicaraguan weapons in the Palace of Justice takeover has been closed. Although some doubts remain, we have accepted the Nicaraguan Government's explanations and closed this case, the foreign minister explained. According to a controversial report, Nicaragua reportedly supported the attackers of the Justice Palace with weapons.

The minister also said that the OAS should offer technical and political cooperation to Haiti so that the democratic process can be consolidated in that country. It should be, he said, a vigorous action by an OAS that is undergoing a renewal.

PUBLIC ORDER SITUATION WORSENS IN CAUCA

PA121807 Bogota Television Service in Spanish 0000 GMT 12 Feb 86

[Text] The guerrilla violence has forced peasants in the middle Magadlena area to abandon their plots of land and voice their protest.

Also today, a guerrilla command held up the [word indistinct] of the Antioquia miners' camp, in El Bagre, and stole 6 million pesos in gold.

Meanwhile, in Cauca Department, the public order situation is more serious and grave every day, but even so, the governor asserts that the elections will be held, as evidence that democracy must prevail over violence.

In Morales, the aftermath of a guerrilla attack on 3 February was still being appraised today. Fourteen policemen armed only with carbines defended the town for 4 hours. It is not yet known how many guerrillas they managed to kill, as many of them were dragged to and buried in the neighboring thicket. What is known, and is regarded as fact, is that Cauca Department has become a hellhole.

[Begin Governor Victor Gomez recording] For a long time now, there have been actions involving the 3d Brigade and 19 April Movement [M-19] in the northeastern party of the department. M-19 has managed to penetrate all the way into Silvia, Totoro, and the neighboring areas. Now they have crossed the Pan-American Highway and are headed for Morales, around [place name indistinct], Cajibio, probably with the intention of establishing contact with the western mountain range, which is currently occupied, so to speak, by the Revolutionary Armed Forces of Colombia [FARC]. [end recording]

The Cauca map is covered by signs of guerrilla presence: M-19, Quintin Lame, FARC, the Army of National Liberation, and, sandwiched between them, the peasants, exposed to armed proselytization. Among those peasants is a vast Indian population.

[Begin Gomez recording] According to the information I have received, these people show up in the peasant regions and tell them: Either you vote for FARC or you will suffer the consequences. They are armed; they do not attack, but they carry weapons in their hands -- both long-range and close-range weapons -- and, logically, they scare the voters. [end recording]

The capital of Cauca Department, still showing the scars of the earthquake [as heard] appeared today covered with slogans attributed to a paramilitary group. The authorities reportedly have learned the license plate numbers of the vehicles used by those who painted the slogans.

Meanwhile, the authorities assume that the guerrillas are also moving about the town of Cajibio to prevent the elections. The governor, however, says he is sure the election will be held.

Another guerrilla attack has been reported in Rio Sucio, Choco Department, where 50 members of the fourth FARC front this morning attacked the police headquarters, killing one agent and wounding a noncomissioned officer. There was looting and thievery and the mayor's office was half destroyed. Four million pesos were also stolen form the Agrarian Fund.

M-19 FOUNDER LARA SANCHEZ FOUND KILLED

PA1121145 Bogota Television Service in Spanish 1730 GMT 11 Feb 86

[Text] The death of Augusto Lara Sanchez, founder of the 19 April Movement [M-19] who left this guerrilla organization a little more than a year ago, has been confirmed. Lara Sanchez had been reported missing since Thursday. His body, which was found in Bogota, was disfigured and had two bullet wounds.

FRG DEPUTY SCHAEFER ON STATE OF SIEGE, EXILES

PY121515 Asuncion HOY in Spanish 12 Feb 86 p 8

[Text] During a press conference held yesterday, FRG Free Democratic Party Deputy Helmut Schaefer stated: "I believe that lifting the state of siege would improve the Paraguayan image abroad. I have always been told that there is a strong government here and there are no disturbances, no terrorism or communism. Therefore, the state of siege is meaningless." The German politician is touring Argentina, Uruguay, Paraguay, and Brazil and will submit a report to the FRG Government concerning the economic problems and the democratic development of these nations.

Concerning these issues, Schaefer added that "we also have terrorism in the FRG and in Europe. However, we have not enforced a state of siege but have trained our police to implement new techniques. If so desired, we would certainly be willing to provide that information and training for the Paraguayan police."

Schaefer was asked whether during his meeting with President Stroessner he saw any indication that the state of siege would be lifted soon. Schaefer replied: "The president did not make a final statement on this issue. However, after holding several talks with government representatives, I have the impression that they are clearly aware that the state of siege is not a permanent measure. I even think that the ruling party will soon consider lifting the siege."

Concerning the ties between our country and the FRG, Schaefer stated that they are traditionally good. "This was proven once again during all the talks I held here. We do not wish to, and cannot meddle in Paraguayan internal affairs, but would rejoice at a better implementation of a multi-party democracy in this country," Schaefer stated. "I am convinced that the government also knows perfectly well that it has some weak points and that they are recognized abroad," Schaefer added.

Asked whether he discussed the Laino, Resck, and Roa Bastos cases with the president of the Supreme Court, Schaefer stated: "I brought up the Resck and Roa Bastos cases. However, I concentrated on the case involving Domingo Laino because when I met him in Buenos Aires he gave me a petition asking that I raise his case here in Paraguay." Concerning the Remigio Gimenez case, Schaefer added that "Dr Argana promised me that the pending trial will be expedited, but said that Gimenez will not be released. However, he told me that a final ruling will be made soon."

Concerning democracy in Paraguay, Schaefer stated that it is different from the Argentine and Uruguayan democracies. "I believe that I have clearly expressed our points of disagreement. However, I believe that in the future Paraguay will also enjoy a situation similar to the one currently prevailing in Argentina or Uruguay," Schaefer concluded.

RADIO CHILENA INTERVIEWS ARCHBISHOP ROLON

PY122111 Santiago Radio Chilena in Spanish 1600 GMT 12 Feb 86

[All passages within quotation marks recorded]

[Text] Asuncion Archbishop Monsignor Ismael Rolon has said that the Paraguayan Catholic Church is not playing any role in the process of transition to democracy in his country. He said that Paraguay is going through a period of reflection. Radio Chilena has contacted the Asuncion Archbishop and president of the Paraguayan Episcopal Conference, Msgr Rolon, by phone. He defined the national dialogue in Paraguay in these terms.

[Msgr Rolon] "There is an attempt being made, not only by churchmen, but also by other people to initiate a period of understanding and reconciliation. At this time the church is not playing any role because this is a preliminary period of reflection. People are expected to give their opinion through the press and radio so that we can take note of the various ways of thinking. After the meeting to be held from 3 to 7 March, the three bishops appointed by the Paraguayan Episcopal Conference to deal with the question will begin their work."

Msgr Rolon, who believes that the return to democracy in Paraguay will be a long-term process, described the political situation as one of expectancy and discussion.

[Msgr Rolon] "We are most happy to see that the opposition is making efforts toward unification. I believe that this year, which is the Universal Year of Peace, will be a period of difficult work which should, however, be worthwhile."

The president of the Paraguayan Episcopal Conference also said that it is very difficult to know what the Paraguayan president, Alfredo Stroessner, who has been in power for 31 years, is thinking. He is not expressing his opinion: only the Colorado Party members' opinion is known. Msgr Rolon explained that the Paraguayan people hope for peaceful solution.

[Msgr Rolon] "People are expecting a real change that will bring reconciliation, not through violence but through peaceful and friendly dialogue. I believe that you [Chileans] have also done something there."

Those were statements made to Radio Chilena by Asuncion Archbishop and President of the Paraguayan Episcopal Conference Msgr Ismael Rolon, who emphasized that he sincerely hopes that the return of democracy in Paraguay will follow a peaceful course.

U.S. ENVOY BRIEFED ON LIBERAL PARTY UNITY MOVE

PY122112 Asuncion LA TARDE in Spanish 12 Feb 86 p 15

[Text] Representatives of a movement called "Promoters of the Unity of the Liberal Party" (PUL) were recently invited by U.S. Ambassador Clyde Taylor to the U.S. Embassy in Asuncion. Raul Ignacio Castagnino, Hugo Galli Riart, and Francisco Campos are leaders of PUL, a movement created early last year. They described to the ambassador the steps they have taken to achieve the unity of the Liberal Party, a traditional Paraguayan political force that is today divided into several factions. Commenting on the meeting with the U.S. ambassador, Castagnino said: "We discussed the history of our party, its merits and services to our fatherland, our political ideas, and the governmental program the party could offer to the country taking into account its tradition and doctrine."

Castagnino made it clear, however, that "all Liberal Party factions must unite first. This is a necessary step for achieving our ultimate objective of quickly bringing about true democracy in the country." Castagnino said Ambassador Taylor expressed interest in the movement for unity of the Liberal Party, in every effort aimed at improving the democratic system, and in the country's present and future political situation. Castagnino also said that, in his opinion, Taylor "is not taking sides with any political sector in Paraguay; he is not voicing support for anyone, but he is trying to learn the true Paraguayan political situation."

POLICE REPORT DRUG TRAFFICKERS KILLED IN CLASHES

PY121523 Paris AFP in Spanish 1434 GMT 12 Feb 86

[Text] Lima, 11 Feb (AFP) -- The police reported today that approximately 19 drug traffickers died during a clash with the Peruvian Civil Guard in the jungle region of Progreso, 600 km northeast of Lima. According to police, no casualties were reported among the Civil Guard. The police added that the clash, which occurred on 7 February in the jungle area of a coca-producing region, was reported just last night.

The Civil Guard patrol had left from Tarapoto, 840 km northeast from Lima, heading for Progreso in the Uchiza region. This area has become the main theater of operations for the Peruvian and Colombian drug trafficking gangs operating in the Amazon region.

It was reported that the drug traffickers' gang was large and tried to shoot its way out. After half an hour, several of the criminals fled in motorboats in the Huallaga River, abandoning the bodies of 19 of their accomplices.

On that same day, near the Satipo region, 560 km east of Lima, 12 other drug traffickers died during a clash between rival gangs in a dispute over the purchase of cocaine produced in this central Peruvian jungle region.

EDITORIAL VOICES CONCERN OVER 'AMERICA BATTALION'

PY120255 Lima EL COMERCIO in Spanish 28 Jan 86 p A 2

[Editorial: "The Guerrilla Connection"]

[Text] Extremely alarming news from Colombia gives some idea of the growth of the subversive movement on the continent, and of an event that has been mentioned several times but only occasionally supported by evidence. This is the international connection between various terrorist and guerrilla groups that operate in different countries.

According to a report from Cali, high-ranking officers of the Third Brigade of the Colombian Army have given detailed reports on the creation of an international guerrilla group that plans to operate from southwest Colombia and to extend its antisocial action into neighboring countries such as Panama, Venezuela, Ecuador, and Peru.

This information was provided by three witnesses. They are Colombian military officers who were captured by members of the National Guerrilla Coordinating Board, CNG, but were later rescued by members of a Colombian garrison. According to the report the members of the CNG are from five countries who have created a combat unit called "America Batallion," which trains subversive personnel to extend their antisocial influence along the subcontinent.

A few weeks ago the international press reported that the M-19 group will reportedly be strengthened by a detachment of Palestinians, probably PLO members. This is an indication that this "Terrorist International" has perhaps greater significance than first assumed.

Meanwhile, the subversives have already seen action in several clashes with the regular Army causing over 30 casualties. For the time being their main objective is to sabotage the upcoming Colombian elections in the Cauca, Narino, Valle, Huila, and Tolima Departments, and in the Putumayo Intendency.

Obviously the bold appearance of this subversive group in such a strategic region represents an undeniable threat which can only be fought by a joint and coordinated action of the security forces of the different countries involved. It should be kept in mind that there seems to be a connection between guerrillas and drug trafficking as could be noted in the takeover of the Justice Palace in Bogota. However, such intergovernmental cooperation will certainly require a series of political and diplomatic steps which should be taken without delay.

It is also obvious that such subversive movements cannot be organized without the decisive intervention of foreign powers outside the region, possibly and extracontinental power. As pointed out, these movements are terrorist and guerrilla international groups, the location of whose centers of operations are well known. Without doubt these international groups are providing training, weapons, and all the required logistical support, which is very complex and expensive for isolated movements to obtain without foreign aid.

It is also important to contemplate what attitude should be taken, either individually or jointly, regarding those countries or regimes that in one way or another support extremists, who in such a bloody way threaten the democratic stability of our countries.

BRIEFS

INTERNATIONAL RESERVES -- The Peruvian Central Bank has reported that the Peru's net international reserves on 30 December 1985 stood at $1.478 billion, an increase of $90 million over the reserves in November 1985. [Summary] [Lima EL COMERCIO in Spanish 15 Jan 86 p A 11 PY]

MINISTER LEAVES FOR ISRAEL -- Minister of the Presidency Nicanor Mujica Alvarez Caldaron this morning left for Tel Aviv to attend the Eighth World Jewish Congress to be held in Jerusalem on 26 January. He said he is the bearer of a letter from President Alan Garcia, who was invited to attend the congress. [Summary] [Lima Television Peruana in Spanish 0000 GMT 25 Jan 86 PY]

OIL POLICY TO BE COORDINATED WITH MEXICO

PA112232 Caracas EL NACIONAL in Spanish 2 Feb 86 p D-5

[Text] Mexico City -- Interior Minister Octavio Lepage declared here that his country and Mexico will be discussing all oil-related measures before implementing them.

Dr Lepage said during a press conference that Mexico's decision to lower its oil prices was made prior to the Cancun meeting, and that that decision is compatible with the declaration signed by Presidents Miguel de la Madrid and Jaime Lusinchi.

He noted that in recent months there have been oil price reductions in both Mexico and Venezuela, and that the most important aspect of the Cancun conference is that from now on, thanks to the creation of the Oil Cooperation Board [Junta de Cooperacion Petrolera], the two countries will analyze and discuss all of the measures either country may want to implement in the oil sector beforehand.

Lepage noted: As our president has said, the oil situation is not grave, but it is a source of concern because all oil price reductions represent lower income for the treasury. He added: This is a situation that we cannot control, and there is no possiblity of controlling it because international factors beyond our control are involved.

This Cancun conference is in line with the many efforts Venezuela is making for the situation to have the least negative effects, said Lepage. As I have said, he continued, the Cancun meeting was more positive than had been expected, although this does not mean that all of our problems were solved there.

The oil internationalization policy represents another effort. This effort represents the acquisition by Venezuela of shares of foreign enterprises that refine and distribute hydrocarbons in order to secure a market, since markets are lost as other countries sell refined products cheaper than we do.

During the press conference the minister discarded the possibility that the arms used by the M-19 [19 April Movement] for the attack on the Palace of Justice in Bogota, Colombia, were purchased in Venezuela.

Lepage explained: The arms could have arrived there some other way. For example, we -- and at this point we can say this -- help liberation movements in other countries, and we send arms to some of them. Besides, it is possible that we had a period of subversion during which arms were stolen during attacks. We cannot make these things more important than they actually are.

Lepage said that the country's main problems are unemployment, the high cost of living, and personal security. He immediately noted that the first two problems are on the upper part of a vertical list, while crime and personal security would be the middle because continous efforts have been made to improve the security situation.

Regarding reports about the fall of the tyrant of the Caribbean, Minister Lepage said it will be very difficult for the long-lasting Duvailer dictatorship in Haiti to survive the crisis it is enduring, but the end has not arrived yet. For this reason we must wait to see what happens.

SEPULVEDA, SHULTZ CONTINUE MEXICALI TALKS IN U.S.

FL122213 Mexico City NOTIMEX in Spanish 0235 GMT 12 Feb 86

[Excerpt] Washington, 11 Feb (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor and U.S. Secretary of State George Shultz met here today to continue the talks that began during the meeting of the U.S. and Mexican presidents in Mexicali. State Department sources said that the talks were not related to yesterday's talks between Shultz and the foreign ministers of eight Latin American countries.

The meeting between Shultz and Sepulveda was cordial. Also present at the meeting were Jorge Espinosa de los Reyes, Mexican ambassador to Washington, and Elliott Abrams, U.S. assistant secretary of state for inter-American affairs. Immediately after the meeting Sepulveda left for New York.

U.S. PREPARES EMERGENCY ECONOMIC AID PLAN

FL122348 Mexico City NOTIMEX in Spanish 1925 GMT 12 Feb 86

[Excerpts] Mexico City, 12 Feb (NOTIMEX) -- The U.S. Government has announced that an emergency package for Mexican assistance is almost ready and includes export and trade credits as well as the purchase of oil.

The package includes an $8.5 billion credit for the purchase of food from the Guarantee Credits Corporation for raw materials, $200 million from the Import-Export Bank, $1.85 billion from the central banks of industrialized countries, and $5 billion from the IMF.

It was reported that President Miguel de la Madrid will visit Tokyo on 7 April and during his meeting with Prime Minister Yasuhiro Nakasone, he will request a $500 million credit from the Japanese banks for the creation of a petrochemical plant on the Pacific coast. Japan is one of the countries that has benefited the most from the fall of oil prices since it is one of the world's most important hydrocarbon consumers and according to U.S. officials, the Japanese are dedicated to providing extensive assistance to Mexico.

In reference to the purchase of oil, the U.S. Government plans to purchase more Mexican oil. The United States currently purchases 750,000 barrels of oil daily while the rest of Mexico's export production (another 650,000 barrels) is sold to clients in Europe and Japan. Mexico is the principle vendor of oil to the United States.

U.S. officials estimate that Mexico's financial needs for 1986 will be approximately $6 billion to meet its financial and international commitments on time as well as its needs.

FORMAL MEETINGS ON GATT MEMBERSHIP BEGIN

FL122220 Mexico City NOTIMEX in Spanish 1750 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- The Mexican Government will begin formal contacts today for joining the GATT, it has been reported by official sources in the financial sector.

The sources added that Mexican Government representatives gave GATT Director General Arthur Dunkel their proposal concerning Mexico's participation in this multilateral organization and requested a 12-year deadline to completely liberate the national economy.

Mexico will also demand that the GATT respect its industrial development programs for the automobile and pharmaceutical sectors and some advantages that the agreement offers to the developing countries which are in the process of joining.

The sources said that the Mexican Government believes Mexico's admission to the GATT will open the way to the world market, with countries like Japan, Canada, and the EEC, in addition to stepping up the structural changes in the country's production sector to increase nonoil exports.

They added that the Mexican delegates who are in Geneva, Switzerland -- headquarters of GATT -- will have to carry out some difficult negotiations, because there are some obstacles, such as the veto against the mini-devaluations that are aimed at making Mexican products more competitive in the international market.

It is expected that Mexico will join the GATT by next September, when a new round of negotiations is scheduled at world level in this multilateral organization.

OPPOSITION PARTIES DEMAND DEBT MORATORIUM

PA122326 Mexico City UNOMASUNO in Spanish 3 Feb 86 p 4

[Text] Representatives of the Unified Socialist Party of Mexico [PSUM], the Revolutionary Workers Party [PRT], and the Socialist Workers Party [PST] demanded yesterday that the Mexican Government "cease toying" with the serious foreign debt problem and immediately declare a moratorium to renegotiate better payment terms to give the people a reprieve.

Commenting on statements by Commerce and Industrial Development Secretary Hector Hernandez, who said that the country reached its limit for adjustments and that the government is at a loss over the course for the money to pay the foreign debt, Eduardo Montes of the PSUM committee said that "the regime is in an alley" where the only way out is the one proposed by the leftist opposition; namely, "the suspension of payments and a new economic policy."

In turn, PRT deputy Pedro Penaloza stressed that the country's economic situation "is nearing a point where the ruling bureaucracy cannot find solutions for the payment of obligations abroad and simultaneously keep an eye on domestic stability. With the drop in oil prices, the regime does not stand a chance of being able to pay any more."

He also said that, today more than ever, the country's realistic alternative "is to declare a moratorium; there is no other way out. The government technocrats can invent whatever they want, but we are in the presence of bankruptcy."

He continued: "It is impossible to continue this economic fantasy of paying while the people starve. We are not confronted by a prerevolutionary situation, but we are in the presence of a radicalization of society that can become violent if a suspension of the payments is not declared."

He also said that Hernandez' warning in Geneva that social outbreaks could occur is due to the fact that "some government sectors clearly understand that the policy of sacrificing the Mexicans to the extreme has a limit."

Finally, Penaloza stressed that "some officials, such as Jesus Silva Herzog, Finance and Public Credit secretary, and Hernandez cry abroad for better payment terms while we insist that the only way out is not to pay. Otherwise, we would starve."

Montes also said that the Mexican people's stamina "is very great, but it has reached its limit. As the saying goes, no evil will last a hundred years, and no people will be able to withstand it. The adjustments have been borne, but with growing unrest."

Montes said that the regime must answer a question: "What does Hernandez mean by saying that democracy is endangered? Are the protesting voices going to be repressed? His words can be construed as a threat against those who in the future engage more vigorously in the search for higher standards of living."

He pointed out that the government has been trapped by its own idea that it is possible to grow and pay. "Meanwhile, the leftist opposition maintains exactly the opposite. As a country, our only alternative is to declare a suspension of the debt payment and reorient the economic policy so that the great capitals are no longer given great concessions by the regime, as has happened thus far."

In addition, the PST stressed that due to an oil price drop -- $4 on the average -- Mexico "is in fact insolvent. We only need an official statement to begin immediately suspending the interest payments on the debt, although Silva Herzog feels that it is premature to discuss it."

In a press communique, the PST said that the oil price drop represents more than $2 billion that will not be received this year. In turn this amount represents 20 percent of the amount paid in interest on the foreign debt, which has reached nearly $100 billion.

He concluded: "Mexico cannot pay, no matter how badly the government wants to."

CANAL PROBLEMS LINKED TO ECONOMIC DIFFICULTIES

PA122009 Panama City LA PRENSA in Spanish 11 Feb 86 p 10 A

[Article by Roberto N. Mendezi: "What Is Behind the 'Delvalle' Plan?"]

[Text] Sirs:

As several labor, business, and political organizations have already pointed out, the development "plan" recently presented by President Delvalle is essentially the same as the structural adjustment program imposed on the country by the IMF in 1982. That program was also fervently espoused by the Ardito Barletta administration.

Nevertheless, it is also unquestionable that there are some new elements in the president's plan. The repeated remarks about a better use of Panama's geographic location and the reference to the "negotiations" for the widening of the Culebra Cut and "other related investments" are not merely verbal exercises (as some had thought). Readers will recall that when former President Ardito Barletta visited New York (shortly before his "resignation"), he signed an agreement for a feasibility study for the widening of the canal. Reports from the Canal Commission indicate that the project is viewed as "urgent." The reason is not only because of the increasing number of ships that cannot transit the canal because they are too wide, but because the narrowness of some areas (such as the Culebra Cut) prevent the simultaneous passage of ships, which leads to delays that are increasingly costly to the shippers.

Article 12 of the Torrijos-Carter Treaty granted the United States the power to build a third set of locks. However, Article 13 of the treaty establishes that in the year 2000 the United States must return the canal to Panama "free of liens and debts other than what is agreed upon by the parties." Here is the problem. The widening of the canal or the construction of a third set of locks (or the construction of a seal level canal) involves an investment of hundreds of millions of dollars. In other words, it is a debt that the Canal Commission will be unable to pay off before the year 2000. Therefore, the Torrijos-Carter treaty would have to be modified or perhaps even a new treaty would have to be drafted.

I have been told that the negotiating mission for the "new" letter of intent with the IMF and the World Bank learned when it arrived in Washington a few days ago that the U.S. Government wants to link the negotiations on that letter to the canal problem and that it is even willing to overlook some of the structural modifications previously demanded in the fields of agriculture and industry as long as this subject (and perhaps any other related topic such as that of military bases beyond the year 2000) forms part of the new "package" of intentions. All of this would fit in with the rest of the circumstantial evidence that has been mentioned here.

In other words, just as the United States manipulated and took advantage of the fiscal and financial crisis that affected Panama in 1976 and 1977 in order to obtain the signing of the capitulatory Torrijos-Carter Treaty, the objective now seems to be the achievement of a new pact (or "understanding") regarding the widening of the canal!

No rational Panamanian is opposed to the construction of a sea level canal, a third set of locks, or the widening of the canal as long as the country adequately benefits from such projects and as long as they do not involve any type of political concessions.

Therefore, the danger -- and this is a call to be alert -- is that the government, overwhelmed by the fiscal crisis it has faced since 1982 and by its own corruption and internal political crisis, will accept a new antinational pact with the United States in exchange for a few loans or "donations" to resolve its crisis (temporarily at the most). Therefore, it is up to the Panamanian people to decide whether they will permit a new dirty trick as the one in 1977.

PARTY LEADERS REACT TO NORIEGA LETTER TO GALVIN

PA130136 Panama City LA PRENSA in Spanish 12 Feb 86 p 1 A

[By Jose Quintero, Flor Quintero, and Allan Perez]

[Text] Aside from legislator Pedro Brin Martinez, of the official Democratic Revolutionary Party, PRD, several Panamanian political leaders expressed their "repudiation" the alleged "memo' sent by General Manuel Antonio Noriega, commander of the Defense Forces, to General John Galvin, chief of the U.S. Southern Command, with a detailed report on the incidents that culminated with the separation of former President Nicolas Ardito Barletta from the presidency.

In a communique he signed for the Popular Action Party (PAPO), Carlos Ivan Zuniga made public "its total and absolute repudiation of the interference by the U.S. Southern Command in the internal affairs of the country" by demanding from Commander Noriega 'his report on the overthrow" of former President Barletta.

Zuniga said that PAPO repudiates this action and defines it as "clear evidence of the most outrageous capitulation by the military forces ruling Panama today."

He also rejects the false charges contained in the memorandum against PAPO as "promoters of national sedition," and that links them to the "operation the U.S. Army and National Guard intelligence services mounted against that party's assistant secretary general, Jose Alberto de la Guardia."

On the same topic, the vice president of the Christian Democratic Party, Guillermo Cochez, said that the action by Gen Noriega "in an authentic democratic system would merit his standing trial for high treason because he has not only insulted the Panamanian armed institution, but also all Panamanians who once again witness the hypocrisy of Gen Noriega."

For Cochez, the memo sent by Noriega demonstrates that when the Panamanian military speak of sovereignty and political independence, they do so "insincerely."

"In signing the treaties, Torrijos said that Panama remained under the umbrella of the Pentagon, and now Noriega's actions show that in addition to this the military must account for its actions to the U.S. entity and nct to the Panamanian people," he noted. Cochez added that "as a Panamanian I am ashamed of the actions by the officer who today circumstantially heads the Defense Forces because I feel his actions cannot be endorsed by the entire military officialdom."

Referring to the memo sent by Noriega to Galvin, PRD Legislator Pedro Brin Martinez said that "exactly what Gen Manuel Antonio Noriega affirmed were the events in detail concerning the resignation of former President Barletta."

Without confirming the veracity of the document, Brin Martinez, president of the assembly's Foreign Relations Committee, pointed out that when Ardito Barletta assumed power, "he demonstrated the lack of political capability to uphold the unity of the government and to meet the economic problems affecting the country."

He noted that "Barletta wanted to run things with a banker's criterion, rather than adopting an analytical postiion, which he should have done as a man entrusted with the nation's destiny" within "respect for human dignity, patriotism, and national sovereignty."

The PRD legislator assured that former President Ardito Barletta excessively stuck to the positions of the World Bank, the IMF, and the organizations to which Panama is committed.

He added that the positions of the international financial organizations first led the former president to the proposal of Law 46 which "nearly caused his government's downfall," because it was a tax law that affected "not only the masses, but also the Panamanian investor."

Finally, he said that the points contained in the memo to Gen Galvin were precisely "those we know which were given to us in detail, and which led to the resignation of former President Ardito Barletta, who really had no other way out."

Legislator Marcos Alarcon, of the Authentic Panamenist Party, said that the action by Gen Noriega in sending a memo to his colleague, Gen Galvin, quartered in the canal area, informing him of the incidents that brought about the overthrow of Nicolas Ardito Barletta showed the Armed Forces dependence on the United States.

Alarcon, who is also the coordinator of the independent teachers movement, said this action "confirms the submissiveness of the Panamanian Government to the dictates of Washington."

He feels that Noriega's attitude reflects his "demagogic patriotism, which could in fact be called 'chauvinist partriotism', that depicts, for domestic and international consumption, the false stand of a nationalism that in practice cannot stand up to the facts, such as having to report to foreigners about political issues that only concern Panamanians."

Herasto Reyes, leader of the Socialist Workers Party (PST), said that "the memo explains the joint action between the chiefs of the two Armies that are active in the country, Generals Manuel A. Noriega and John F. Galvin."

Reyes added that the memo shows, "as it has been said and is known, that the real power lies in the National Guard; that when heads must be physically cut off, as in the case of Dr Hugo Spadafora, or politically, as they did with President Barletta, it will be done."

However, for this Panamanian leftist leader "the memo also reveals that despite the fact that Barletta is a pawn of the World Bank and the IMF, and that he believed he was as safe as if he were held in God's hand, it turned out that the U.S. military decided to save Noriega, even in detriment to Barletta, who was a pawn of its banking interests in Panama."

In view of the serious crisis created by the death of Dr Spadafora "which threatens the power of the Defense Forces," Reyes feels that "Galvin and the entire U.S. military setup decided to replace Barletta with Delvalle within what they call constitutionality. However, it is clear that Delvalle inherits Barletta's fraud."

The controversial politician maintains that "the gringos will try to uphold a democratic masquerade in Panama at any cost. If it is necessary to politically cut off Noriega's head, they will do so."

Later, he predicted that as an outcome of these events there will be profound social disturbances "because the people are not going to allow the application of Delvalle's plans, and will checkmate it (the Government) just as they did over the death of Spadafora."

PAPO VIEWS GENERAL NORIEGA AS 'GROVELER'

PA110041 Panama City EXTRA in Spanish 10 Feb 86 p 11

[Text] The head of Panama's National Defense Forces, General Manuel Antonio Noriega, has been described as a groveler because he sent John Galvin, head of the U.S. Southern Command, a memo explaining how Dr Nicolas Ardito Barletta was overthrown on 27 September 1985.

The charge is made in a communique issued by the People's Action Party (PAPO) on analyzing the contents of the note sent by the high-ranking Panamanian military man to his U.S. colleague.

The PAPO rejected the false accusations contained in the memo, which stated that PAPO members are promoting local sedition.

The opposition group claims that this case is similar to the infamous operation that was carried out by U.S. intelligence services and National Department of Investigation agents ending with the arrest of Jose Alberto de la Guardia, PAPO deputy secretary.

The communique described the U.S. general's actions as meddling by the Southern Command in the "internal affairs of our country."

COSTA RICA

GOVERNMENT READY TO NORMALIZE TIES WITH NICARAGUA

Foreign Minister Comments

PA121922 San Jose Radio Impacto in Spanish 1830 GMT 12 Feb 86

[Text] Foreign Minister Carlos Jose Gutierrez this morning told the press that everything is ready for the exchange of official notes concerning the apologies the Nicaraguan Government must present to the Costa Rican Government over the Las Crucitas aggression. He confirmed that an agreement was reached with the Sandinist regime about the correction our country made to the draft note presented 10 days ago. Gutierrez added that the Costa Rican Government told the Nicaraguan officials that once the elections were over they would review the text of the draft document.

Asked about the effects the normalization of relations would have on the upcoming meeting of Contadora plenipotentiaries, he said:

[Begin Gutierrez recording] On would have to see first what attitude Nicaragua will assume in the meetings to be held in Panama on Friday and Saturday. Of course, the immediate result is that a difficulty existing between two countries of the areas has been resolved. But this does not affect directly completion of the negotiations on the Contadora document, which is what will be done in Panama on Friday and Saturday. [passage indistinct] The president will make a statement about this in the note responding to Nicaragua. [end recording]

He added that Oscar Castro Vega, the Costa Rican ambassador who had been recalled to the country, will be sent to Nicaragua in the next few days. Upon the normalization of relations with Costa Rica, Leonor Arguello, the Nicaraguan ambassador to Costa Rica, may be sent to Europe, where she has been assigned to a top position. In addition, approval for Claudia Chamorro, who had been appointed ambassador to our country, might be given.

Council Ratifies Ambassador

PA122000 San Jose Radio Impacto in Spanish 1855 GMT 12 Feb 86

[Report by Grethel Tinoco from the Presidency -- live]

[Text] During an ordinary session today, the Government Council decided to ratify the appointment of newsman Oscar Castro Vega as Costa Rican ambassador to Nicaragua. This is based on the fact that the two countries will resume diplomatic relations in the next few days.

According to Information Minister Armando Vargas Araya, spokesman for the Government Council, Foreign Minister Carlos Jose Gutierrez presented a report to the Government Council on the current situation and the exchange of official notes that will take place in the next few hours. In this exchange of notes the Sandinist authorities will offer an apology requested by the Costa Rican Government.

The information minister gave more details on the appointment and ratification of Oscar Castro Vega as Costa Rican ambassador to Nicaragua:

[Begin Vargas recording] In view of the foreign minister's report to the Government Council that an exchange of letters will be made between the governments of Costa Rica and Nicaragua in the next few hours, in which Costa Rica accepts the apology presented by the Nicaraguan Government over the 31 May Las Crucitas incident, the Government Council ratified the appointment of newsman Mr Oscar Castro Vega as Costa Rican ambassador to the Nicaraguan Government. Also, the Foreign Ministry said Mrs Claudia Chamorro Cardenal, the Nicaraguan ambassador-designate to San Jose, will receive the diplomatic post. [end recording]

That was a statement made by Minister Armando Vargas Araya, Government Council spokesman, on the normalization of diplomatic relations between Costa Rica and Nicaragua. In addition, he reported on various aspects discussed during the Government Council including a grand greeting to be organized by Turrialba Municipality for President Luis Alberto Monge in the [name indistinct] Salazar Theater in April. It was also reported that presidency Minister Danilo Jimenez Veiga will preside over a work team tasked with coordination of the power transfer, specifically in the social and economic aspects.

It was also reported that a meeting of delegates of the presidents of Guatemala, El Salvador, Honduras, and our country will take place here next week to further reactivate commercial exchange in the region. This exchange of views was promoted by President Luis Alberto Monge.

It was also reported that Mr Rene Castro Hernandez, father of current Government Minister Rene Castro Salazar, was appointed as the new Costa Rican ambassador to Barbados and other Caribbean countries.

These were the most important issues discussed during today's sessions of the Government Council.

This has been Grethel Tinoco with the second edition of "Impacto News."

PRESIDENT-ELECT OUTLINES FOREIGN POLICY

PA120446 San Jose LA REPUBLICA in Spanish 4 Feb 86 p 3

[Text] President-elect Oscar Arias Sanchez has outlined his foreign policy for foreign correspondents. It is based on the following outstanding points:

1. Neutrality with regard to armed conflicts between countries.

2. Respect for the principle of self-determination of peoples and nonintervention in the internal affairs of other countries.

3. Dialogue with Nicaragua only in a multilateral manner until that government offers an apology and explanations to the Costa Rican Government for the killing of two civil guardsmen in Las Crucitas on 31 May 1985. Nicaragua must restore liberties within its territory.

4. The search for peace in Central America by taking a more active role as an agent of peace in the region.

5. Support for the Contadora Group peace process, without implying exclusivity (in the search for peace in Central America).

6. Friendly relations with the United States and a search for aid for the country's development programs.

7. Fluent and constant communication with the EEC.

8. Renegotiation of the foreign debt totalling more than $4 billion and relations with the IMF (not subject to implementation of its harsh suggestions when they are to the detriment of the country's social interest programs).

CENTRAL BANK ORDERS NEW MINIDEVALUATION

PA122346 San Jose Radio Reloj in Spanish 0100 GMT 12 Feb 86

[Text] The Central Bank Board of Directors has decided to order a new minidevaluation of the colon in relation to the dollar. The 25-centimo devaluation means that the dollar will sell for 54.20 colones and will be purchased for 53.70 colones. This is the first change in the exchange rate adopted this year, according to the members of the Central Bank Board of Directors.

The minidevaluation ordered by the Board of Directors during today's session was based on the same policies applied in previous devaluations, according to Central Bank officials. The parameter used was the rate of inflation on the international markets compared to Costa Rica's inflation rate. Moreover, the sources added that the application of this policy is provided for in the agreement signed with the IMF which is still in force.

ARIAS GOVERNMENT APPOINTS CONTADORA DELEGATE

PA130032 San Jose Radio Reloj in Spanish 0100 GMT 12 Feb 86

[Text] The new government that will take power on 8 May has appointed former Deputy Foreign Minister Jorge Urbina as its delegate to the Contadora Group negotiations. Notification of this was received by the Foreign Ministry; therefore, Urbina will travel to Panama next week with the delegation headed by Gerardo Trejos, deputy foreign relations minister, to participate in the meeting of Contadora plenipotentiary ministers.

Foreign Minister Carlos Jose Gutierrez announced 2 weeks ago that as soon as he knew who would take power in May, he would invite a delegate to participate in the Contadora negotiations so the process would not experience any delays as a result of the change in administration.

GUATEMALA

REBELS PROMISE NOT TO OBSTRUCT DEMOCRATIC PROCESS

PA120443 Panama City ACAN in Spanish 1957 GMT 11 Feb 86

[By Oscar Rene Oliva]

[Text] Guatemala City, 11 Feb (ACAN-EFE) -- The Guatemalan guerrillas' decision to "not obstruct the democratic process" has been well received by political leaders because it represents a "sign of democratic opening" in Guatemala.

Pablo Monsanto, one of the main leaders of the URNG, which includes four rebel organizations operating in the country, said last week in Cuba that "the Guatemalan guerrillas will not obstruct the new president, Vinicio Cerezo, from carrying out his democratic promises."

Monsanto warned, however, that "We are not committed to the promises (of Cerezo) but to the achievements. Meanwhile, we have the duty of continuing the struggle. To stop or to lay down our weapons would be a crime." The Guatemalan guerrillas have been fighting in the mountains for 30 years.

Ramiro De Leon Carpio, secretary general of the Union of the National Center (UCN), the second most important political force in the country, described this rebel decision as a "truce" and told ACAN-EFE that this decision "would be well received in Guatemala, and particularly abroad, because it means that something is being done to promote democracy."

De Leon Carpio, who ran for vice president on the UCN ticket in the 1985 elections, added that "this means they have confidence, and that at any moment they might lay down their weapons and publicly participate in the country's political life in order to reach real peace."

Meanwhile, Enrique De Leon, deputy for the Democratic Socialist Party (PSD), said "the decisions of the guerrilla leadership on this truce also entail supporting the socioeconomic and political development of the country." "Guatemala, like the nations that have a constitutional system, particularly those that are starting their democracies, deserve the support of all sectors. This logically involves all these movements," De Leon added. The Social Democrats moved back into the public arena early in 1985, after more than 6 years in hiding because of the political persecution they suffered when the party was being registered.

Leopoldo Urrutia, leader of Democratic Action (AD), which supported the Guatemalan Christian Democracy (DCG) that won the past elections, said "the armed struggle is the result of the negative policy of the previous governments." The political leader feels that if in the future the organized workers and peasants are not persecuted and there are no more kidnappings and murders, "there will be no reason for this struggle between the rebels and the government. The only formula would be participation in the political opening that Vinicio Cerezo guarantees."

The official spokesman for the Army, Captain Juan Fernando Cifuentes, said the Guatemalan guerrillas' promise to not obstruct the government's program "does not mean a truce." The military spokesman said the "Guatemalan Army and people would be pleased if the guerrillas put a definite halt to their hostilities." Cifuentes said the rebels made the offer because the current administration that took over on 14 January, following 16 years of military administration, "has taken away their main arguments." Capitain Cifuentes added that "although the Army wants peace, it will not lower its guard and will be always alert to defending democracy."

President Cerezo recently said that for the time being he cannot offer any guarantees to the rebels and that he will need 1 year to talk with them "and reach an understanding on their participation in the democratic process."

HEALTH MINISTER RECEIVES DEATH THREATS

PA121758 Guatemala City EL GRAFICO in Spanish 11 Feb 86 p 2

[Excerpt] Guatemala City, 11 Feb -- Health Minister Carlos Armando Soto disclosed yesterday that he has been the target of threats, even death threats, after he took measures to purge his ministry. He attributed these threats to dismissals he ordered last week that were aimed at putting an end to corruption that existed in that ministry. Some people were cashing payroll checks by forging signatures that were different every time, and this was confirmed without any problems.

For this reason, the minister concluded, I think these threats are the result of measures taken recently to put an end to corruption in my ministry.

HONDURAS

COL REGALADO HERNANDEZ NEW ARMED FORCES CHIEF

PA131218 Panama City ACAN in Spanish 1158 GMT 13 Feb 86

[Excerpts] Tegucigalpa, 13 Feb (ACAN-EFE) -- The National Congress of Honduras this evening [as received] appointed Humberto Regalado Hernandez as the country's new Armed Forces chief to replace General Walter Lopez Reyes, who resigned on 1 February. The new commander was elected from a list of three candidates that also included Colonel Amilcar Castillo Suazo and Colonel Roberto Martinez Avila. Regalado obtained 127 votes in favor and four abstentions. Three of the 134 deputies from four political parties who compose this country's legislative branch were absent. Colonel Regalado Hernandez, who until today was the commander of the Honduran Navy, is an expert in counterinsurgency, jungle warfare, and joint Latin American military operations.

LOPEZ REYES COULD REMAIN OUTSIDE COUNTRY 3 YEARS

PA121451 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 11 Feb 86

[Text] An Armed Forces source had told this radio station that the Armed Forces Superior Council had decided that General Walter Lopez Reyes should be out of the country for 3 years. Relatives of Lopez Reyes had told our correspondents that the former Armed Forces commander told them he would be out indefinitely. Gen Walter Lopez had been warned that the best thing to do was leave the country.

However, the Public Relations Department of the Armed Forces said yesterday that Gen Lopez is still a Honduran Army adviser and therefore there should not be any talk about him remaining out for 3 years. But Gen Lopez is in Houston and, according to reports, he will not return in a couple of weeks because his absence from the country will be indefinite.

It was said yesterday that Gen Lopez will be given a foreign service post. In the Honduran Congress it is being said that such an appointment does not mean he has no permission to return to the country, said Orlando Gomez Cisneros, first vice president of the National Congress. If Congress calls him to explain why he was removed from the post of Armed Forces commander, he will have to comply, Gomez Cisneros told our correspondent Guillermo Castellano.

[Begin recording] [Castellano] Does the fact that a Honduran military man is appointed to a post in the Honduran foreign service mean that he cannot return to the country as long as he holds that post, even if that military man is summoned by Congress to explain a removal, as in the case of Gen Walter Lopez Reyes?

[Gomez Cisneros] You are talking about a situation that could happen. The issue here is not that he cannot return to the country. He can be assigned a post abroad by the office of the foreign secretary and still maintain his military rank. The Armed Forces statutes contemplate this type of post.

In the future, Congress, for any particular reason, could summon Gen Lopez to explain his resignation. This is a situation that could take place in the future.

[Castellano] Are there legal restrictions that would ban him from appearing before Congress? Is there a law that could keep him from appearing?

[Gomez Cisneros] No, I don't think there is any restriction. He could perfectly well appear.

He is going to have a post abroad, but he can perfectly well ask for a permit, explaining that Congress has summoned him, and then he can come here to give whatever explanation he finds appropriate.

[Castellano] This is what the vice president of the National Congress has said in response to our questions on national political situations resulting form the overthrow of Walter Lopez Reyes from his post as commander of the Honduran Armed Forces. [end recording]

LOPEZ REYES RESIGNATION LETTER RELEASED

PA130400 Tegucigalpa Radio America in Spanish 0227 GMT 13 Feb 86

["Text" of resignation letter from General Walter Lopez Reyes to the National Congress; no date given -- read by announcer]

[Text] Honorable members:

By this means I convey to you my respectful greetings, my best wishes for your personal good fortune, and my hope that success will crown your actions for the benefit of Honduras and the Armed Forces of the Republic.

The reason for this note is to present my resignation as commander in chief of the Armed Forces of Honduras based on our military organization's charter, which in Article 36, Section II on relief of command states:

The definitive absence of the commander in chief of the Armed Forces may take place due to: a) Death, b) Resignation, c) Physical or mental disability, or d) Legal disability.

My resignation is irrevocable and is submitted with full awareness of my actions and rights as an officer and citizen. It is done without coercion, and no one has influenced me to make this decision. Therefore, the honorable Superior Council of the Armed Forces is empowered to proceed, in accordance with the existing laws, with appointing my successor.

I also wish to express here to you honorable members my personal gratitude for all the sincere and spontaneous cooperation offered to me that made it possible for my efforts to be positive and of great professional and cultural impact, resulting in benefits to each and every one of us who have worn the unfirm with pride.

Without any further particulars, I reiterate my gratitude and ask God to protect you in each of the steps you take in your professional and private lives, all for the benefit and aggrandizement of Honduras and the glorious Armed Forces. Loyalty, honor, sacrifice.

Yours faithfully,

[Signed] Walter Lopez Reyes, brigadier general, commander in chief

NICARAGUA

COMMUNIQUE REPORTS 3 ATTACKS FROM COSTA RICA

PA121902 Managua Domestic Service in Spanish 1800 GMT 12 Feb 86

[Communique issued by the Defense Ministry's Directorate of Public and Foreign Relations on 12 February in Managua; read by unidentified ministry official -- live or recorded]

[Text] On 11 February, three border posts of the Sandinist People's Army [EPS] in southern Nicaragua were attacked by counterrevolutionary mercenary forces who are trying to hinder relations between our neighbor Costa Rica and the Nicaraguan revolutionary government. As a result, an EPS companero was seriously wounded. The actions were as follows:

1. At 0620, a mercenary group attacked the EPS border post in the area of Sarapiqui, 38 km to the southwest of San Juan del Norte, from Costa Rican territory. As a result of this action, one companero was seriously wounded.

At 1130 on the same day, a Somozist mercenary attacked the Delta Border Post, 28 km to the southwest of San Juan del Norte.

At 0820 the same day, a counterrevolutionary mercenary group attacked EPS positions in the area of Machuca, 15 km to the southwest of El Castillo, from Costa Rican territory.

[Signed] Managua, 12 February 1986

Directorate of Public and Foreign Relations, Defense Ministry

SANDINISTS DENY BOMBING MISKITO VILLAGES

PA112308 Managua BARRICADA in Spanish 11 Feb 86 p 1

[Excerpt] Last week spokesmen for Brooklyn Rivera [leader of the Miskito, Sumu, Rama Sandinist Unity organization] falsely reported that the Sandinist Air Force had bombed the town of Layasiksa, which, according to the counterrevolutionaries, was completely razed. That sensationalist report was denied shortly afterward.

HAITIAN DELEGATE SPEAKS AT PARTIES' CONFERENCE

PA121708 Managua Domestic Service in Spanish 0000 GMT 11 Feb 86

[Speech by (Gerard Pierre Charles), Haitian representative at the Conference of Latin American and Caribbean Political Parties, at the Cesar Augusto Silva Convention Center in Managua -- live]

[Excerpts] Companero President Daniel Ortega, companeros of the FSLN National Directorate, Nicaraguan people, companeros and companeras of the Latin American political parties:

There are peoples who have had few historic opportunities to make their voices heard, and my people, the Haitian people, are one of these.

During the last few decades, marked by so many important events in the world and Latin America, Haiti has been separated from the rest of Latin America by a brutal and backward dictatorship.

During the 29 years the dictatorship in Haiti lasted, events of great importance occurred, events such as the Cuban revolution, the Nicaraguan revolution, and the many struggles and victories of the Latin American peoples. But during those 29 years our people, sunk in terror, have advanced very little along the path of progress and civilization.

Today we are in a new phase in our history. The struggle waged in Haiti, which has surprised many companeros, is the result of the tenacious and persevering work of the Haitian people -- the revolutionaries, the communists, the democrats. A process of historic accumulation occurred at the level of the (?conscience), at the level of the organization, and for years, like an underground river, the desire to achieve liberation grew, nourished by all the (?affluent) -- the dissatisfaction and (?increasing awareness) of the starving peasant masses and the working class exploited at the assembly plants and enterprises of imperialism, which took advantage of the fact that there are no unions in Haiti, that it is not possible to strike, and that, under the Duvalier dictatorship, Haiti was a paradise for investors.

(?Decidedly) opposed to the advances of the Latin American peoples, opposed to the advances made by Nicaragua and Grenada, by Cuba yesterday, and by El Salvador, U.S. imperialism unleashed its entire interventionist machinery in an effort to crush the revolutionary movement in Latin America. Opposed to the Haitian people's desire for freedom, a situation of total isolation was created for the dictatorship. In time, the unarmed revolution managed to undo a dictatorship for which the basis was an arsenal provided by imperialism for 29 years. It is precisely against this development that the most recent interventionist maneuvers were carried out, that there was interference by the United States in an effort to foil the Haitian people's democratic movement.

Naturally, the struggle which for some burst into the open so suddenly, but which was the result of long years of effort and sacrifices, lacks a fundamental element, which the Sandinist revolution has shown us: the political-military vanguard that might, precisely, [words indistinct]. The struggle in Haiti was a struggle to achieve democracy, a struggle against the dictatorship.

But the Haitian people have not fought, have not spent so many human lives to have a military junta assume power. The struggle has been waged to establish an advanced democracy, and as much as today's achievements represent a considerable advance in the struggle, we know that the revolution in Haiti must meet many demands and is just beginning now.

This is a matter of solving the problems of a country that has 85 percent illiteracy. It is a matter of solving the immense problems of poverty and malnutrition in the most oppressed country in Latin America, [words indistinct] the poorest in Latin America. It is a matter of putting an end to the humiliation of the people and to the abundant demands for which the people, the youths have fought. All the achievements against underdevelopment, against dependence, and in favor of a new society, which the Sandinist revolution has achieved, represent a true example for Haitians; they represent for Haitians the prospect lying before us of expanding the democratic government, of organizing the revolutionary forces, of obtaining new accomplishments in order to have an authentic revolution.

Today Haiti has rid itself of the dictatorship. Tomorrow it will be Chile, tomorrow it will be Paraguay, if new advances take place in Latin America.

These countries, these three, were a symbol of the old, bloody, and inhuman dictatorships in Latin America. The situation in Haiti, the extremely odd process that has taken place, has once again shown that in Latin America, the peoples' struggles are treading new paths; and they are treading even more original paths in Africa.

As we were saying, the process in Haiti is the result of long work by the revolutionaries, the communists, the socialists, the democrats, and the republicans who wanted to put an end to a monarchic dynasty. But in recent times it has also been the Catholic Church that has had the most participation in this process of increasing awareness, in the process of liberating the people from terror, in guiding youth through a new process of political awareness and politicization. All this was catalyzed by the above-mentioned process of historic accumulation and led to an intolerable situation for the dictatorship, forcing the United States to break its alliance with the dictatorship and put an end to the support it had been giving the Duvalier dictatorship for 29 years. This must be stressed.

While the imperialists that Mr Reagan [words indistinct] attacked the Sandinist revolution, while they claimed that there was no democracy in Nicaragua and that the electoral process was not honest, the worst masquerade of liberalization was taking place in Haiti. But the U.S. press, simply because of its complicity with the dictatorship, claimed that it was an honest process. On 22 July, under pressure from the people, the dictatorship held a referendum, a referendum to learn whether the anachronistic system of presidency-for-life was accepted by the people. That referendum was a masquerade, but the results said 99.8 percent of the people approved of the system. As soon as THE NEW YORK TIMES commented on the support of the State Department and the White House, the dictatorship continued to be endorsed. In December of that year, the State Department approved $53 million in aid, part of the $1.5 (?billion) capital that the United States placed at the dictatorship's disposal during the 14 years of Jean-Claude Duvalier's dictatorship.

Then, unexpectedly, the Haitian popular masses' struggles disrupted the system of domination of imperialism, the support system. It was only on 28-29 January -- that is, 10 days before the dictatorship's fall, that the United States began to express its disagreement with the dictatorship. It was not until 30 January that they stopped the aid they had been giving to the dictatorship.

All this was done simply to say that the victory the Haitian people have obtained is the result of their unselfish struggle, a struggle that has resulted in over 1,000 dead during the last week of the peaceful rebellion [words indistinct]. It is seeing this that we have felt the hypocrisy of imperialism and have felt that for a struggle like this, our people lacked a fundamental element, a political leadership that would have allowed them to gain power.

As we were saying, such new phenomena are taking place in Latin America: the Salvadoran revolution, with all that it has represented, such as new forms of struggle and the participation of new social contingents in the struggle which, after 5 years of intervention (?during this war against) imperialism, has enabled El Salvador to resist, (?remaining at) the vanguard of this struggle, which the peoples of Central America [words indistinct]; and the great victory of the Sandinist revolution, with all the lessons it has imparted, such as new paths, new procedures, new revolutionary contingents, and new roads leading to a revolutionary process.

In Haiti we are beginning a new phase of struggle. We are sure that this new stage will enable the Haitian people to establish a profound democracy and make revolutionary achievements. For this reason, we thank the Latin American companeros who have always expressed their solidarity with us during those long years in exile, that long pilgrimage [words indistinct] we have always found support for the Haitian people's difficult struggle.

And the Haitian people know that without international solidarity they would not have been able to achieve yesterday's big advance, nor will they be able to make the big advances we are promising for tomorrow.

We wish to take advantage of this occasion to express our gratitude to the Nicaraguan Foreign Ministry expressing the support of the Nicaraguan people for the Haitian process and stating Nicaragua's opposition to any type of interference by imperialism, which is trying to foil the Haitian people's just struggle.

We appeal for Latin America's solidarity. The process beginning now in Haiti is a democratic process, it is a process that put an end to a dictatorship. But, within Haiti's context, the strugle for democracy is linked with (?the more) advanced and superior paths of the liberation struggle. We feel that this solidarity is indispensable if we are to advance more in the process of liberation. We wish to conclude by telling our Latin American companeros: The struggle continues. The Haitian people will win. Thank you very much.

LA PRENSA DOWNPLAY OF PARTIES CONFERENCE SCORED

PA120433 Managua Radio Sandino in Spanish 1930 GMT 11 Feb 86

[Station commentary]

[Text] If a newspaper's headlines normally summarize the paper's contents, the text will not only clearly reflect the thoughts of he who wrote it, but also his state of mind. This is perfectly applicable to the headline in LA PRENSA's 10 February edition in which it tried to disqualify the transcendental meeting of Latin American and Caribbean political parties that opened last night in this capital. In addition to indicating the headline writer's state of total dejection and spite regarding the reception that more than 100 political organizations from all of America accorded the FSLN convocation, the headline writer also revealed his thoughts when he said those who participate in this meeting do not represent anything in their own countries.

It is only natural for LA PRENSA that Raul Sendic, leader of Uruguay's National Liberation Front, Tupamaros; Volodia Teitelboim, member of the Communist Party of Chile's Politburo and Secretariat; Pompeyo Marquez, president of the Movement for Socialism and vice president of the Venezuelan Senate; Ruben Berrios, president of Puerto Rico's Independentist Party [Partido Independentista de Puerto Rico], and Quiche Indian Rigoberta Menchu, leader of the Guatemalan Opposition Unity [Unitaria Oposicion Guatemalteca] represent nothing. They do not represent anything simply because they represent the peoples of their still subjugated homelands; because they represent their peoples' just and most beautiful aspirations; because they represent the desire for peace, social justice, and sovereignty; and because they represent the will of all the oppressed peoples of America and the world. Definitely, those participating in this meeting have nothing in common with and represent (?much more) than the ladies and gentlemen in a picture placed precisely above the headline with which LA PRENSA's people tried to conceal before their very eyes the importance of this meeting.

UNO BACKS OPPOSITION PARTIES' PEACE PROPOSAL

PA130255 San Jose Radio Reloj in Spanish 1200 GMT 12 Feb 86

[Text] The Nicaraguan Opposition Unity, UNO, has stated in a communique that it supports the peace proposal submitted to the Nicaraguan regime by six Nicaraguan political parties.

In addition, the UNO called on the democratic groups to support the efforts to eradicate totalitarism in Nicaragua.

The UNO said that the proposal formulated by the political parties meets the requirements for achieving the peace the Nicaraguan people are demanding.

Finally, the UNO indicated that it supports the thrust of the Caraballeda document, which outlines the steps to be taken to achieve national reconciliation, respect for human rights, and freedom.

REGULATIONS FOR CASH USE, BUSINESS TRANSACTIONS

PA130103 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] A Central Bank spokesman has reported that the monetary regulation governing the use of cash by all agricultural, livestock, commercial, service, and tourism businesses as well as state agencies will be implemented at the end of this week.

The main purpose of these monetary regulations is to have all such businesses and agencies use checks, bank drafts, or some kind of checking account for making payments.

An underlying aim of this measure is to find a way to attract the large amount of cash circulating in the hands of the unofficial or parallel sectors that have cropped up in the country lately as a result of the short supply of staples and (?specialty) items, and the greater demand that has arisen because of the increase in salaries and the freezing of those products' prices.

When this regulation goes into effect, businesses will be assigned banks for their use based on the nature of the business.

FURTHER ON THIRD PCC CONGRESS SESSIONS

Political-Administrative Report

FL121634 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] One of the documents reviewed by the congress delegates was the draft resolution concerning the improvement of the country's political-administrative division. Although the current political-administrative division represented a highly positive change concerning the planning, administration, and control of political, economic, and social activities, the results should be thoroughly analyzed. Although the draft document rightfully asserts that the disproportionate development of many regions throughout the country has progressively decreased, there are still some municipalities that have not achieved adequate economic growth. In addition, there are large cities where it is difficult to exert appropriate guidance of the political, economic, and social activities -- given the large number of citizens and units there. Following a 10-year enforcement period and a thorough analysis of the results obtained from the political-administraive division, it is necessary to establish measures for improving this system.

All this has been stated in the documents which conclude that the limits between provinces and municipalities have remained stable, and any modification in this concern must be prompted by extreme difficulties in giving appropriate attention to the population. Towns which are no longer country seats must maintain the appropriate facilities so their inhabitants may carry out any activity without going to the provincial capital. So-called people's councils will be created there to safeguard the quality of services and help solve the local problems. The proper studies will continue in Havana to achieve stronger political-administrative units, so that they may carry out government functions more efficiently.

Another experience which is valid for the next 5-year period is the creation of districts in other large cities, such as Santiago de Cuba and Camaguey. These and other modifications will undoubtedly represent new measures to guarantee a better socio-economic development in the country, a just aspiration which began to become a reality during the First Party Congress.

[Begin recording] [First unidentified speaker] Comrade Commander in Chief Fidel Castro Ruz, comrades of the presidency, comrade delegates, and guests: The work commission appointed to analyze the draft resolution about the country's political-administrative division met in the City of Havana at 1745 on 5 February 1986, year of the 30th anniversary of the Granma landing, in room 12 of the Palace of Conventions with the participation of its 80 delegates, marking 100 percent attendence.

Following a general analysis and debate on the draft project, the commission in charge of examining the document came to the following conclusion: Ten years after the enforcement of the current political-administrative division, and once the results of this enforcement were examined, it is convenient to prepare and implement a series of proposals which, even though they do not introduce substantial modifications in the document approved by the First PCC Congress, are mainly aimed at achieving a gradual improvement of the political-administrative division enforced in 1976. The improvement proposed is a result of the work carried out for 2 years by the [10-second break in recording] at the Central Committee's headquarters. The final phase included an overall analysis, which was carried out during several work sessions at the PCC Central Committee headquarters during September and October 1985. The analysis ascertained that the political-administrative division approved during the First Party Congress has contributed to achieving an increased socio-economic development and stepping up development in the country's most backward territories.

Nevertheless, it was also ascertained that there is still a certain number of municipalities which achieved some progress from the socioeconomic viewpoint after the corresponding structures were installed and their development plans were carried out, but they still lack enough economic-social potential to establish in them an economic and administrative organization which allows them to solve all the local problems with an acceptable level of autonomy. It was also ascertained that following the implementation of the new political-administrative division in 1976, certain towns and villages that were formerly county seats decreased their levels of attention and services to the population. The analyses carried out based on the experience of all the current executive delegates note the creation of people's councils in the towns that were historical county seats and in all the other towns that, even though they do not meet this condition, require this type of organization. This will make it easier for them to provide better services and handle the population's administrative paperwork.

The analyses also show that great cities' growth makes it difficult for local government organizations to exert adequate leadership, control, and supervision of these cities. This indicates that it is advisable to adjust the political-administrative structure of cities like Santiago de Cuba and Camaguey on an experimental basis, based on the possibility of creating local administrative organizations called districts. This will allow the strengthening of the main municipal structure of the people's government. Referring to Havana Province and City, and given its functions as a unit which corresponds to a great city, it is deemed convenient to continue the current analyses aimed at achieving a larger and stronger number of political-administrative units, bearing in mind the need for exerting full government functions.

In addition, the analysis of the current political-administrative division and the problems which are closely linked with the division shows that it is evidently necessary to study and later adopt the necessary conditions regarding the status which corresponds to the special municipality on the Isle of Youth. According to this decision, the work commission appointed to anlayze the draft resolution project concerning the improvement of the country's political-administrative division advises that this congress:

1. Approve the draft resolution which advises that the PCC Central Committee be in charge of evaluating the country's administrative policy and adopting the necessary measures for creating people's councils in the chosen towns. It should also continue to analyze the City of Havana, collect all the information on the cities of Santiago de Cuba and Camaguey, and carry out a survey on the institutional status which corresponds to the special municipality of the Isle of Youth. In addition, the appropriate measures should be carried out to continue and conclude the necessary surveys for enforcing the corresponding measures to perfect the current political-administrative division in the year 1991.

The following provision should be included in the resolution's text, immediately after point No 8: The surveys to be carried out according to these modifications must include the elements considered necessary for improving the organization of the state's business sector, as mentioned in the resolution which deals with the system for managing and planning the economy. Thank you. [applause]

[Second unidentified speaker] The experience accumulated in the Province of Havana during the current executive delegates' activities, and our own experience as president of the people's government in the municipality of Santa Cruz del Norte, allows us to rightfully state that the existence of an authority which maintains close and direct contact with the problems in the community is highly important, allows for the achievement of a solution, advocates a continuous and improved quality and efficiency in the services to the populations, and allows for the fulfillment of their fundamental needs.

Economic-Social Guidelines

FL121421 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] Cuba has become a society of manual and intellectual workers free of exploitation of man. This was stated in the economic and social guidelines for the 1986-1990 5-year period. This document was approved by the delegates to the Third PCC Congress. The document states that the working class is the ruling class and that it exercises its political power in alliance with the peasant sector and all the working rural and urban classes. This important document enumerates the main objectives for the 1986-1990 5-year period. Some of the most important objectives established in the document are: To ensure increased revenue from exported merchandise and productive services and by replacing some import and export products.

It also calls for the establishment of an energy savings plan that includes the rational use of energy and decreased average rates of energy consumption. We must also expand production capacity and carry out the investment policy more efficiently.

Another objective for this 5-year period is to improve the quality of production and services, use profitably the various transportation means of the country, give special attention to the peasant sector, and improve the economy's planning and management system, among other things. To achieve the maximum use of the national scientific and technological potential, to concentrate the efforts being made by our main social development entities, and to strengthen the ties between investigation and production are some of the other main objectives included in the economic and social guidelines for the 5-year period we are beginning.

The document continues, stating that the standard of living will continue a moderate rise in regard to the amount of goods and services offered the people, and greater advances will be achieved by improving the quality of these goods and services. Work will also have to be done to improve personal services as well as repair services for household, restaurant, and communal electric appliances.

This 5-year period will also allow for an increase in the availability of education and the qualification of personnel and teachers cadres. Priority status will be given to the overall economy, rational use of our natural resources, energy savings, industrial development, the agricultural sector, construction, health, community services, and the development of transportation and communications.

[Begin recording of Lionel Soto, member of the Central Committee Secretariat and vice chairman of the commission appointed to analyze the draft of the economic and social guidelines for 1986-1990.] The commission appointed to analyze the draft of the economic and social guidelines for the 1986-1990 5-year period met last night, with the attendance of 149 of the 150 delegates appointed. The members of the commission represented the delegations sent from all the provinces of the country. The commission adopted a series of recommendations to be presented for approval by this plenary session of the Third PCC Congress.

In March of this year [as heard] the sub-commission responsible for the drafting of the guidelines was appointed. This was done following a decision adopted by the congress' main organizing committee. The subcommission worked to establish the guidelines based on the following: directions issued by Comrade Fidel Castro late in 1984 regarding the economic and social strategy to be followed in the medium and long term; the work being done to draft the 1986-1990 5-year period plan; the agreements on this subject reached by the main group; and the party's draft program on economic policy.

The guidelines had to include the most important tasks agreed to for the present 5-year period.

In this sense, the departments of the Central Committee, together with the Central Planning Board and the state committee organizations, drafted the first proposals, which were amply coordinated with the members of the Secretariat, the Central Committee, the vice presidents of the Council of Ministers, and with the ministers. These proposals were discussed by the subcommission appointed for this purpose.

The process of discussions and consultations produced four versions of the document before the final draft was ready. This draft was presented to the main organizing committee.

As everyone knows, in November this draft was examined by all the base organizations and party organizations; it was also examined at work centers, by the peasants, by revolutionary armed forces units, by Interior Ministry units, by the UCJ [Union of Young Communists] directorate, and by all students finishing the last year of their advanced schooling.

More than 3.1 million people discussed the draft, and the subcommission received more than 13,000 suggestions for amendments and additions. These were painstakingly reviewed, and more than 1,600 of these suggestions were accepted. Many of the suggestions were similar. This greatly contributed to enriching the draft that was rewritten on these bases. In December the main organizing committee approved the draft and presented it to the 13th Plenum of the Central Committee. The outcome of this process has been the draft resolution that the delegates at this congress have studied.

The commission believes that a deeply democratic process has taken place in which the collective wisdom of our socialist society and the precise and creative directions of Comrade Fidel and our party's directorate have been captured.

The draft of the guidelines answers the critical aspects mentioned in the main report regarding the correction of mistakes and overcoming the deficiencies and insufficiencies of our economy. The guidelines regarding the economic and social strategy for the next 15 to 20 years are presented articulately. These were based on the party's draft program.

The contents of this draft include major tasks for the future, such as: accelerated industrialization of the country; progressive economic integration with CEMA member countries, especially in common economic policies and specialization and cooperation of production; introduction of scientific and technological achievements; assimilation of new technologies resulting in higher work productivity and in high quality and competitive products on the market; sustained growth of social income-yielding capacity; greater efficiency of enterprises; strengthening of the whole infrastructure; strengthening of our economy; and new social achievements that will materially and morally support the defense mobilization of our homeland. All this was drafted with the hopes of increasing the standard of living of the population in accordance with our ideas regarding the values of a socialist society.

The draft of guidelines also mentions very vital issues for the 5-year period, such as: The need to double our export efforts in the country and a substantial reduction of imports by national products; a more rational use of energy and a strict policy for savings of material, labor, and financial resources; use of all productive capacities; growing efficiency in the investment process; upgrading the quality of the products and services provided for the people; continued development of new ways to organize work and wages based on the principle of payment for work done; advanced improvement of the economy's directorate and planning system, emphasizing creativity in accordance with our experiences and circumstances; and strengthening and expansion of the rural cooperative sector.

Likewise, the guidelines stress the decisive role and broad participation by working masses in the materialization of their rigid objectives in what Comrade Fidel described as the economic war of all the people.

Once the guidelines are approved they will become an irreplaceable instrument for the base organizations and party organizations to exercise the direction and the control of the economic and social development in our socialist society. They will also become a guide for all the party cadres, mass organizations, and state administration, as well as a program for the labor movement and its trade unions.

It is essential to begin an immediate struggle to fulfill the plans and goals and all the eminently qualitative aspects included in the economic and social guidelines. The fulfillment of the guidelines represents a very important step toward the construction of the techno-material basis of socialism in Cuba.

The commission proposes before the Third PCC Congress the following:

1. The adjustment of some guidelines as a result of the approval of the control figures of the 1986-1990 5-year plan on 29 January. This information is currently in the hands of the delegates to this congress.

2. Approval of the amendments and additions agreed upon at the meeting of this commission and which are detailed in the document distributed to all the delegates.

3. Approval of the text of the economic and social guidelines for the 1986-1990 5-year period with the amendments suggested by our commission, as well as the approval of the resolution.

Thank you. [applause] [end recording]

Economic Management, Planning

FL121610 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Resolution issued by the commission appointed to study the draft resolution on the economic management and planning system, read by Joaquin Benavides Rodriguez, alternate member of the PCC Central Committee and vice chairman of the commission -- recorded]

[Text] Comrade Commander in Chief Fidel Castro Ruz, comrades of the presidency, comrades and comrade delegates, guests: The Third PCC Congress work commission appointed to study the draft resolution on the improvement of the economic management and planning system met in the City of Havana at 1745 on 5 February 1986, the year of the 30th anniversary of the landing of Granma. The meeting was held in room 5 at the Palace of Conventions. Sixty appointed members attended the meeting, marking 100 percent attendance.

When the commission was appointed, its presidency was expanded by five additional members and the drafting commission appointed. Later, all the members of the commission were informed of the process used to draft the resolution on the improvement of the economic management and planning system. The members were also advised of the consultations made and the principles on which the contents of the draft resolution were based.

In the analysis by the commission, the growing importance that the party has given to the problems involving the area of economic management and planning was underscored.

As everyone knows, the First PCC Congress approved a resolution that included the guidelines for the implementation of an economic management and planning system based on the principles of economic computations. The Second PCC Congress studied the progress of this system and approved a resolution ratifying the validity and importance of the resolution issued by the First PCC Congress and established guidelines to consolidate the principles and objectives of the economic management and planning system.

The commission recognizes the fairness of the system and supports the statements and specific directions for the work to be done in the improvement of the economic management and planning system, made by Commander in Chief Comrade Fidel Castro in his main report, presented to this Third PCC Congress. As indicated in the introductory portion of the draft resolution, this commission also studied the system's mechanisms and everything related to the development of the economy in the past 5 years. The commission agreed that the objectives expressed in the resolution answer the needs to deepen and improve the system in accordance with the economic policy drafted for the nex for years and that the resolution should represent the document that will guide the whole process of improvement of the economic management and planning system for this period.

When the draft resolution on the improvement of the economic management and planning system was presented for debate, four agreements were reached. These four agreements led to amendments and additions. These agreements are in the hands of the delegates.

Therefore, we propose this Third PCC Congress accept this draft resolution on the improvement of the economic management and planning system [words indistinct] amendments and additions by our commission.

Thank you. [applause]

SFRY'S MILAN KUCAN PCC CONGRESS SPEECH REPORTED

LD121507 Belgrade TANJUG Domestic Service in Serbo-Croatian 2230 GMT 5 Feb 86

[Text] Havana, 12 Feb (TANJUG) -- On the second day of the work of the Third PCC Congress, its delegates were addressed on behalf of the League of Communists of Yugoslavia [LCY] by Milan Kucan, member of the LCY Central Committee Presidium, who, among other things, stressed the need for cooperation and solidarity between communist, socialist, and all other progressive and democratic forces in the world hand-in-hand with consistent respect for the principles of equality, autonomy, independence, noninterference in internal affairs, respect for reciprocal differences, and responsibility to one's own working class and people. During the day, in the great congress center in Havana, in which President Tito was one of the speakers at the sixth nonaligned summit 6 and 1/2 years ago, representatives of several other parties spoke today at this important gathering of the Cuban party, including that of the CPSU represented by Yegor Ligachev, Central Committee secretary and members of the Politburo.

"The LCY and all working people of our country sincerely rejoice at the great successes which you have attained and continue to attain in the socialist development of your country and in the development of the material basis of your society led by the Communist Party, headed by Comrade Fidel Castro. These successes are all the greater because they were achieved in conditions of constant threats against Cuban independence.

On this occasion, I once again express the solidarity of the LCY and of our country with the struggle of the people of Cuba and of other peoples in this area for the right to decide independently about their internal development," stressed Milan Kucan, member of the LCY Central Committee Presidium, addressing the congress of Cuban communists. Having stressed that we live at a time when the international situation is fraught with many crises and unresolved economic and political problems, Kucan said that the preservation of and strict respect for independence, sovereignty, and territorial integrity of all the countries, and the struggle to build a new international economic system represent an indispensable condition for international cooperation on an equal footing and for strengthening peace and security in the world. This implies consistent opposition to imperialism and to all aspects of suppression and hegemony, the policy of force, and intervention and meddling in the internal affairs of others.

This international struggle is most fully and most profoundly expressed by the policy of nonalignment which is the foreign political orientation of our two socialist countries. Kucan expressed Yugoslavia's deep concern over the difficult and complex situation in Latin America and especially in the area of Central America and the Caribbean, adding that our country manifests complete solidarity with the struggle of the people of Nicaragua and of other peoples in this area for freedom, preservation and consolidation of independence. It will continue to render full support for the actions and peaceful initiatives of the Contadora Group of countries to devise a peaceful solution for the crisis in Central America and for any other initiatives conducive to peace and to the social and economic progress of this area.

Having stressed that in an ever-greater number of countries in the world different forms of socialist tendencies and social relations are being born and developed, Kucan said that it has been proved in practice that different parts of the struggle for socialism and for the construction of socialist social relations represent a law regarding development of society. Cooperation and solidarity between communist, socialist, and all other progressive and democratic forces in the world is necessary, possible, and consistent with respect for the principles of equality, autonomy, independence, noninterference in internal affairs, respect for reciprocal differences, and responsibility to one's own working class and people, said Kucan.

AFGHAN, MIDEAST DELEGATES TO CONGRESS DEPART

FL122223 Havana Radio Progreso Network in Spanish 1200 GMT 12 Feb 86

[Text] Saleh Mohammad Zirah, People's Democratic Party of Afghanistan Politburo member, has ended his visit to Cuba after being a guest at the Third PCC Congress. He was seen off by alternate Politburo member Julian Rizo at the Jose Marti International Airport. (Qadim Habib Aleb), Iraqi Communist Party Politburo member, and Ali Khavari, Iran Tudeh Party first secretary and representative of its international review (representante en la revista internacional) also departed.

REAGAN'S UPCOMING VISIT TO GRENADA NOTED

FL122200 Havana Radio Reloj Network in Spanish 1921 GMT 12 Feb 86

[Text] Next week, President Ronald Reagan will discuss his Caribbean projects when he visits the island of Grenada. This will be Reagan's first visit to the small Caribbean island since U.S. Armed Forces occupied Grenada in 1983 and who continue their presence despite the local population's protests.

Reagan's program for next week's visit to Grenada includes meeting several Caribbean heads of states to discuss economic affairs and regional security. Nevertheless, up to the moment, Washington does not know which Caribbean heads of state and government will attend Reagan's meeting in Grenada.

JUNTA 'PROLONGS' DUVALIERISM WITHOUT DUVALIER

PA122108 Havana International Service in Spanish 2310 GMT 11 Feb 86

[Commentary by Amalia Sanmartin -- read by Norberto Hernandez]

[Text] The international press and numerous political observers agree in pointing out that the civilian-miliary junta that currently rules in Haiti prolongs the Duvalier regime without Duvalier. According to the observers, this was demonstrated by the U.S. Government's hasty announcement of the so-called president-for-life's ouster 7 days before it actually occurred. This, along with the military preparations that followed Baby Doc's actual escape, also pointed to the old and oft-repeated U.S. maneuver that calls for direct interference when a country's explosive situation may turn out to be adverse to the White House's interests.

There are no doubts that the rapid fall of the Duvalier dynasty was seen in advance. For months, the people's increasing dissatisfaction led to protests and strikes that could not be checked, despite the bloody repression. To this one must add Jean-Claude Duvalier's deteriorating image, as he squandered millions while the people suffered all kinds of privations. The need for a change of government was evident. The crisis intensified last November when the unstoppable popular demonstrations against hunger, poverty, and oppression began. On 30 January, 1 day after more than 40,000 people demanded Duvalier's ouster in Cap Haitien, the United States warned that the time to change had come, but for a government which, under a certain democratic appearance, would continue to respond to its interests. Thus, at present well-known figures of Duvalierism have been included in Henri Namphy's Cabinet.

Haiti undeniably has important strategic importance for the United States as a base for aggression against Central America, but the U.S. Government forgets that the people's demonstrations led to the dictatorship's ouster and that these people will not accept a masked regime against which they could rebel again.

SOCIAL PRODUCT GROWS 7.3 PERCENT IN LAST 5 YEARS

FL130036 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Feb 86

[Excerpt] Cuba's global social product (producto social global) grew an average of 7.3 percent during the last 5 years. The amount is in excess of the 5 percent predicted for that important economic development index that corresponds to industrial production at a rate of 8.8 percent. [sentence as heard]

Investments to the state civil sector at current prices exceeded 17,880 million pesos over the last 5 years, while productivity grew at a rate of 5.2 percent annually.

GOVERNMENT SUPPORTS NEW HAITIAN REGIME

FL102025 Bridgetown CANA in English 1954 GMT 10 Feb 86

[Text] Santo Domingo, Feb 10, CANA-REUTER -- The Dominican Republic today expressed support for the new government of Haiti, its neighbour on the Caribbean island of Hispaniola.

The Dominican government will give all its encouragement and cooperation to the process (of democratization).... Foreign Minister Jose Augusto Vega Imbert told reporters in the presence of President Salvador Jorge Blanco.

Vega Imbert stressed that the Dominican Republic, which closed its border to prevent a sudden influx of refugees after the fall of Haitian President Jean-Claude Duvalier on Friday, would not interfere in its neighbour's affairs.

The new six-man council that took over from Duvalier has pledged a return to democracy and a restoration of civil rights.

DOMINICA

GUYANESE TRADE MISSION ARRIVES FOR TALKS

FL122115 Bridgetown CANA in English 2101 GMT 12 Feb 86

[Text] Roseau, Dominica, Feb 12, CANA -- A Guyanese trade mission aimed at removing obstacles to trade between Dominica and Guyana arrived here today for talks with senior government officials. An official statement said the mission headed by Trade Minister Winston Murray will meet with Dominica Trade Minister Charles Maynard and other government officials as well as members of the private sector. Dominica exports soap to Guyana while importing mainly sugar from the cooperative republic. Two years ago, trade between the two countries reached its lowest following disagreement between the then-Forbes Burnham administration and the conservative Eugenia Charles government over the American-led intervention of Grenada. Guyana later sent a trade mission to Dominica in the hope of reviving trade between the two countries.

GRENADA

BLAIZE PRAISES REPORT ON CONSTITUTION

FL121735 Bridgetown CANA in English 1704 GMT 12 Feb 86

[Text] St Georges, Grenada, Feb 12, CANA -- Grenada's Prime Minister Herbert Blaize has described as epoch-making the report of a commission which reviewed the island's constitution, recommending changes. In a letter to chairman of the commission Sir Fred Phillips, Blaize said: the report which the commission has produced is compehensive in its coverage and epoch-making in its recommendations. Blaize said the recently-submitted report would make a major contribution towards shaping the future destiny of Grenadians.

The commission was appointed by Governor-General Sir Paul Scoon a year ago: It received submissions from a number of Grenadians about what constitutional changes were necessary. It rejected submissions that no one should be prime minister for more than 10 consecutive years, but agreed to a range of other recommendations, including the appointment of an ombudsman, and the return of Grenada to the Eastern Caribbean Supreme Court.

The commissioners agreed that the Grenada governor-general (or president) should be appointed by an electoral college that includes both government and opposition members of parliament. The team comprised Sir Fred, a former governor of St Kitts and Nevis; Ralph Carnegie, a University of the West Indies law professor; B. T. Pollard, legal consultant at the Caribbean Commonwealth Secretariat; J. B. Renwick, a former judge; and A. Michael Andrew, then-president of the Grenada Bar Association, with Bernard Gibbs as the secretary.

HAITI

OPPOSITION LEADER SETS DEADLINE, ISSUES THREAT

PA121749 Paris AFP in Spanish 1644 GMT 12 Feb 86

[Text] Port-au-Prince, 12 Feb (AFP) -- Sylvio Claude, president of the Christian Democratic Party of Haiti (PDCH, the local opposition), today announced that he has given the National Government Council (CNG) a 1-month deadline to form a provisional government in which all sectors of the opposition can be represented. If this measure is not taken, he said, "the people will take the steps they took in the time of Jean-Claude Duvalier."

NEW MINISTER PREDICTS ELECTIONS WITHIN 10 MONTHS

FL121922 Santo Domingo Radio Mil in Spanish 1000 GMT 12 Feb 86

[Text] Port-au-Prince -- Last night, new Haitian Education Minister Rosny Desroches predicted presidential elections would be held within 10 months. Meanwhile, Port-au-Prince is calm 4 days after dictator Jean-Claud Duvalier fled the country. Desroches added, however, that results of those elections could be questionable because the provisional government includes Duvalier sympathizers. Duvalier abandoned Haiti due to spontaneous protests after being in power for 15 years. Yesterday, Port-au-Prince remained calm with the exception of isolated gun shots. The government imposed again the 10 pm curfew lifted last night so that city residents could participate in the carnival. Port-au-Prince had some parades but they were much less crowded than usual during similar celebrations.

Port-au-Prince protesters destroyed one of Duvalier's houses located on a nearby mountainous area. Information Minister (?Max Valles) said more than 100 people lost thier lives in violent acts since Friday, but morgue employees indicated that between 200 and 300 people had died. (?Valles) said the death toll could reach that level. Three Army officials, who accompanied Duvalier when he fled, yesterday returned to Port-au-Prince and were rushed from the airport in military vehicles. It was not known why the three military members, who had accompanied the dictator, returned aboard an Air France commercial flight. Government officials in France said Liberia offered political asylum to Duvalier.

Demonstrators Demand Elections

PA130310 Madrid EFE in Spanish 0216 GMT 13 Feb 86

[Text] Port-au-Prince, 12 (EFE) -- Approximately 20,000 youths staged a demonstration outside the Haitian National Palace tonight to ask the president of the National Government Council, General Henri Namphy, to hold direct presidential elections in 1 year. The president elected in those elections would be in power for a period of 4 years and would not be able to run for reelection, the organizers of the portest demonstration, which developed in a festive manner without vigilance by the Army, stated.

There was no Army vigilance a few hours before either when Colonel Franck Romain, mayor of Port-au-Prince, was bombarded with oranges at the doors to city hall by a group of approximately 200 youths. The Haitian Army has assumed the police role formerly carried out by the Volunteers for National Security (VSN), the feared "Tonton Macoutes" (or "phantoms"), created by the late President-for-Life Francois "Papa Doc" Duvalier.

The demonstration occurred 24 hours after approximately 100,000 persons gathered in the northern city of Gonaives demanding the trial of deposed President-for-Life Jean-Claude "Baby Doc" Duvalier, son of "Papa Doc." "Let them bring (Jean-Claude) Duvalier to trial," read some of the posters carried by the demonstrators and dispersed among hundreds of blue and red flags, the colors of the Haitian national flag which the Duvalier dynasty changed for a red and black one. The demonstrators damanded that Namphy dismiss the members of the current council, Alex Cineas and Colonel Prosper Avril, who, like Romain, are identified with the deposed Duvalier regime. Cineas, an engineer, is also a minister without portfolio in the Cabinet appointed by the council. Avril, a military man with anticommunist ideals, does not hold a post in the Cabinet.

INTERNATIONAL AIRPORT REOPENED IN PORT-AU-PRINCE

PA121928 Madrid EFE in Spanish 1831 GMT 12 Feb 86

[Text] Port-au-Prince, 12 Feb (EFE) -- A spokesman for the U.S. Embassy here has told EFE that the Francios Duvalier International Airport in this capital was officially reopened to commercial traffic today. Jeffrey Lite stated: "The airport was opened at noon today but we do not expect the airlines to renew their flights until tomorrow."

The airport was closed this past Friday after the departure of former President-for-Life Jean-Claude Duvalier, his family, and his close aides. At that time a curfew was declared throughout the country, the border with the Dominican Republic was closed, and the airport did not allow planes to depart or land on regular flights. On Tuesday, based on plans to evacuate foreign citizens, two Eastern Airline planes and an Air France jumbo aircraft arrived empty at Port-au-Prince to pick-up non-Haitians wanting to leave the country.

RELIGIOUS LEADERS TO ASSESS CONDITIONS

FL122245 Bridgetown CANA in English 2205 GMT 12 Feb 86

[Text] Bridgetown, Barbados, Feb 12, CANA -- General Secretary of the Barbados-based Caribbean Conference of Churches (CCC) Dr Allan Kirton flies to Haiti tomorrow as part of an international team invited to assess conditions there in the wake of the departure of dictator Jean-Claude Duvalier. Dr Kirton said today he would join the heads of the Protestant churches of France and Switzerland, World Council of Churches (WCC) representatives and religious leaders from the United States, in a mission requested by their counterparts in Haiti.

JAMAICA

PNP LEADER WELCOMES DUVALIER'S DEPARTURE

FL101620 Bridgetown CANA in English 1659 GMT 8 Feb 86

[Text] Kingston, Jamaica, Feb 8 CANA -- Jamaica's opposition People's National Party (PNP) has welcomed the collapse of the Duvalier dictatorship in Haiti, and urged outside powers not to attempt to now impose their own will on the impoverished Caribbean country. Dictatorship from outside is as evil as dictatorship from within, said PNP General Secretary Paul Robertson in a statement here last night. He said the Haitian people must now be allowed the right to evolve their own political solution.

Meantime Prime Minister Edward Seaga has been quoted as saying that Jamaica was able to mediate this week in the Haitian crisis because of a 1982 visit here by Michelle Duvalier, the wife of the ousted dictator Jean-Claude Duvalier, when friendships were struck up. The government yesterday revealed that it was involved in secret talks with Duvalier to help persuade him to give up the government and go into exile. The government's announcement followed sharply the public disclosure that Duvalier had left for France aboard an American Air Force plane, ending the dynasty started in 1957 by his father, Francois "Papa Doc" Duvalier.

According to yesterday's announcement, Seaga had sent to Port-au-Prince, as his special emissary, his Social Security Minister and Former Junior Foreign Minister Neville Gallimore. Gallimore had held talks with the Duvaliers last Sunday and Monday, and by Tuesday had reported that the president-for-life would be leaving the country.

The official JAMPRESS NEWS AGENCY last night quoted Seaga as saying that Jamaica had been able to play a role because of the informal relationship which had developed out of Michelle Duvalier's visit here. Her trip made it possible to maintain contact with the regime. Mrs Duvalier on her visit had met with Mrs Seaga and they had together toured Tivoli Gardens, a model community in the prime minister's West Kingston constituency. Contact was also maintained by Gallimore, then in the Foreign Ministry, responsible for Caribbean affairs, JAMPRESS quoted the prime minister as saying.

During his tenure in the Foreign Ministry, Gallimore had visited Haiti on several occasions as part of the government's bid to pull Haiti into the mainstream of the Caribbean family. The Seaga government had pressed the case for Haitian membership in the Caribbean Community and Common Market (Caricom), a 13-member club of English-speaking countries.

U.S. Embassy officials here rejected that Jamaica had acted on Washington's prompting. Diplomats say that consultation took place between the two governments. Jamaica said its action was in the interest of avoiding instability in the region and to avoid possible bloodshed and turmoil in Haiti.

Duvalier's departure followed nearly two months of concerted agitation against the government, which reached a crescendo last week with violent demonstrations. According to JAMPRESS, Seaga said Haiti was now poised for a liberalised approach to human rights and the provision of a new democratic system of government. An interim administration, led by Army Chief of Staff Henri Namphy has assumed power in Port-au-Prince.

The PNP, has appealed to governments, while respecting Haiti's sovereignty, to collaborate in providing technical and financial assistance which the people of the republic may consider necessary for their development. The Socialist Party said the massive poverty, hunger and malnutrition experienced in Haiti had been a shame on the history of the Caribbean. The PNP believes that when people are subject to tyranny and fear by corrupt rulers, violent change was inevitable, and it is regretted that so many lives had to be destroyed in Haiti for so many years, the opposition party said.

HOYTE SPEECH OPENS NEW PARLIAMENTARY SESSION

FL051520 Bridgetown CANA in English 1506 GMT 5 Feb 86

[By Clem David]

[Excerpts] Georgetown, Guyana, Feb 5, CANA -- President Desmond Hoyte formally opened a new session of the Guyana parliament last night and promised to pursue joint ventures with Caribbean Community (Caricom) states.

Hoyte restated his commitment to give more scope to the private sector, consider joint economic investments with Caricom member states, and encourage economic initiatives among social groups.

In a 35 minute speech, the president said he was confident that Guyana and Caricom could successfully pursue joint venture efforts in the interests of their economies. He said he was heartened by discussions he had with his Caribbean colleagues in Mustique last month.

He announced that there will be national awards and incentives for private, state and cooperative enterprises who help to improve industry and the country's impoverished economy. Government sources said these may include fiscal incentives with preference for foreign exchange allocations.

Despite serious economic difficulties we have survived. What is needed now is for us to move forward...We have the resources and a favourable climate under which the goals set ahead, Hoyte told members of the National Assembly.

Fiscal prudence, development and growth is the task ahead to infuse dynamism into the national economy and improve the quality of life of citizens in various respects, Hoyte said.

He outlined several measures designed to raise the standard of living of workers. Steps are being taken, he said to put downward pressure on prices of local agriculture commodities and other products, without affecting the levels of income of the producers. A factor which has contributed to the rise in prices of local products was the willingness of some members of the community to purchase contraband goods at greatly inflated prices. Guyana has a thriving black market because foreign exchange shortages and official bans on some items have curtailed imports.

Hoyte also promised separate taxation for working wives and increased benefits for workers through the national insurance scheme here.

He said legislation will shortly be introduced in the Assembly to combat the dangerous development of drug use, providing for mandatory imprisonment and confiscation of property where persons have benefitted from drug offences.

Although the PPP [the main opposition People's Progressive Party] was absent, the three MPs of the Works People's Alliance (WPA) and the United Force heard the president's address. The WPA's lone representative, Eusi Kwayana, was back in parliament after an absence of 33 years. Kwayana, then named Sydney King, is a one-time minister of agriculture under a ruling People's National Congress (PNC) government. The PPP was present at Monday's swearing-in of parliamentarians' ceremony in the Assembly and one of its MPs was elected deputy speaker.

GASOLINE SUPPLIES RUN OUT; COMMUTERS STRANDED

FL121316 Bonaire Trans World Radio in English 1130 GMT 12 Feb 86

[Text] Government officials in Georgetown, Guyana say there are adequate supplies of cooking gas and kerosene and they have assured consumers that the gasoline shipments from Trinidad are forthcoming. Gasoline supplies in Guyana ran out last weekend and for the past 3 days hundreds of commuters have been stranded. Schools reported many students from the rural areas have been absent this week since there is no transportation available.

Officials say rice has been dispatched to Trinidad in order to pay for the gasoline. Guyana has a barter agreement with Trinidad in which it exchanges rice for petroleum products.

Rationing Introduced

FL122205 Bridgetown CANA in English 2148 GMT 12 Feb 86

[Text] Georgetown, Guyana, Feb 12, CANA -- Guyana today introduced petrol rationing because of what the government said was a delay in the arrival of supplies from neighbouring Trinidad and Tobago. A statement from the Acting Minister of Trade Carl Greenidge said the government order to gasoline stations seeks to promote the greater conservation of energy... in the midst of a delay in the arrival of fuel and other petroleum products from Trinidad and Tobago.

With immediate effect, petrol stations are permitted to fuel only Monday to Friday between the hours of 7 am to 4 pm. No fuel will be sold at weekends.

Guyana, which imports all its oil from Trinidad and Tobago, has an annual fuel bill of US100 million dollars.

Due mainly to a chronic foreign exchange shortage, Guyana has accumulated a near half billion dollar (TT) petrol bill with Port-of-Spain, triggering a cancellation last year of a bilateral petroleum credit facility under which supplies were sent to Georgetown. Port-of-Spain is now insisting on cash payment for all Guyana.

Authoritative Guyana sources say Georgetown last October paid some 10 million dollars of the TT400 million dollars it owed Port-of-Spain for fuel. The sources said Trinidad and Tobago was, however, demanding that the Guyana Government pay in U.S. currency for fuel, and that the money be paid in advance.

The Guyana National Energy Authority (GNEA) also issued a statement urging consumers to purchase only their immediate needs and to refrain from panic buying and hoarding. Motorists have been asked to keep their driving to what is absolutely necessary.

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OAS PLANNING APRIL SUMMIT ON DRUG TRAFFICKING

FL060310 Bridgetown CANA in English 2200 GMT 5 Feb 86

[Text] Washington, Feb 5, CANA -- The Organisation of American States (OAS) said today it was well into preparations for a specialised inter-American conference in Brazil next April on hemispheric action to combat the scourge of illegal drugs. A statement from the Washington-based organisation said it had declared drug trafficking to be a crime that affects all of mankind and one of the high priority items on its agenda.

The conference, scheduled to open April 22 in Rio de Janeiro, had been convened by the General Assembly of the OAS because of the interest of all governments in finding a quick solution to the problem of drug traffic, the statement said.

Drug traffic is a multifacetic crime and we cannot afford to continue to allow the criminal who commits it and those who finance this crime to go unpunished, said Venezuelan Ambassador to the OAS Edilberto Moreno Pena as he opened this years work of an OAS working group on drug traffic.

In addition to Moreno Pena, who heads it, the group inclides representatives from Argentina, the Bahamas, Bolivia, Colombia, Ecuador, Mexico, Nicaragua, Panama, Peru, Trinidad and Tobago and the United States, but is open to participation by all OAS members.

The Venezuelan ambassador cautioned against expecting miracles from the Rio de Janeiro conference, but I am sure that it will be a good beginning of coordinated efforts aimed at putting an end to a very complex problem, and at least for the coordination of national legislations for the punishment of the drug trafficker and those who finance this crime.

OAS Secretary General Joao Clemente Baena Soares, who gave the group today an account of all OAS Secretariat efforts to increase public awareness of the seriousness of the problem, said this will be our first opportunity to demonstrate to the peoples of Latin America, the Caribbean and the United States that we are firmly committed to seek solutions to a problem that has become a grave concern throughout the Western Hemisphere.

CGT, INDUSTRIAL UNION REAFFIRM DIALOGUE

PY132238 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1455 GMT 12 Feb 86

[Text] Today at noon, the CGT [General Confederation of Labor] and the Argentine Industrial Union (UIA) reaffirmed the importance of "constructive dialogue as a factor for seeking agreements aimed at overcoming the economic crisis," and said "this type of meeting will help consolidate democracy and the institutions."

This statement is contained in a joint document signed by the two organizations after a meeting that lasted more than 2 hours in the UIA headquarters. CGT Secretary General Saul Ubaldini, UIA President Roberto Favelevic, and others participated in the meeting. The document adds that "during the meeting the CGT representatives explained the scope of a CGT document after which there was an exchange about the problems affecting the Argentine economy, the workers and businessmen."

Referring to the CGT's 26-point alternative economic program, the declaration says the "UIA leaders thanked the CGT for the presentation of the document which will be studied thoroughly by the UIA leaders and technical organizations." The declaration adds that "this reaffirms constructive dialogue toward agreements aimed at overcoming the economic crisis. Through a decisive growth program it favors industrialization as a means of increasing employment and real salaries."

The declaration also says that "after an evaluation of the CGT proposal is made and the UIA makes its own proposals the UIA will call for another meeting for a joint study of the document." The CGT-UIA joint document concludes by saying that "it was agreed that this type of meeting reaffirms the will to consolidate democracy and the institutions."

After reading the joint declaration in a press conference, Favelevich and Ubaldini labeled the meeting as "constructive." Favelevich added that a new meeting with the CGT "may be held this month or the first week of March." He explained that before the second meeting is held the UIA "technical organizations" will evaluate the CGT's 26-point document. He also said that it is "quite possible" the UIA experts may meet with CGT experts. Favelevich said Ubaldini did not extend an invitation to join the National Unity Congress 2 hours. He added that the VIA would consider such an invitation if one were extended." Ubaldini agreed with Favelevic that "the dialogue was constructive" and that from now on the CGT and UIA "technical teams" are going to work together.

COMMUNISTS CRITICIZE NEW IMMIGRATION PLAN

PY131700 Buenos Aires DYN in Spanish 0132 GMT 13 Feb 86

[Text] Buenos Aires, 12 Feb (DYN) -- Jesus Mira, national attorney of the Communist Party, today said that the National Migration Department is implementing a plan to expel foreigners, particularly "those who struggle against dictatorships in bordering countries." In a communique issued tonight, Mira notes that foreign residents in Argentina are not to blame for the problems affecting Argentina's development, but rather "the domination of imperialists and the oligarchy that has caused the present foreign debt, which exploits all workers whether they are Argentines or not."

He added: "Residence and proper documentation must be granted to immigrants without any extensive or complicated proceedings. We must also end plans to implement nefarious laws regarding the expulsion of foreigners for political reasons. These laws date back to the days of conservatives and recent dictatorships." He criticized the policy that has been developed by the National Migration Department, which he said "has caused great concern among the public opinion and human rights defense organizations." In this regard Mira noted that "under the pretext that they have bad political records, the government is expelling honorable people who come to work in our country, like Uruguayan citizen Moreyra [not further identified], whose deportation was prevented by the intervention of the Argentine Human Rights League."

2,000 LONGSHOREMEN RALLY NEAR GOVERNMENT HOUSE

PY131800 Buenos Aires DYN in Spanish 1740 GMT 13 Feb 86

[Text] Buenos Aires, 13 Feb (DYN) -- In the last few minutes, approximately 2,000 longshoremen have gathered in front of Government House. They are surrounded by a strong security force. Cesar Loza, secretary general of the United Trade Union of Argentine Port Workers (SUPA), entered Government House, but it is not known whether he met with any official to express the longshoremen's demands.

BOMB EXPLODES IN DOWNTOWN BUENOS AIRES

PY131842 Buenos Aires TELAM in Spanish 0958 GMT 13 Feb 86

[Excerpt] Buenos Aires, 13 Feb (TELAM) -- According to responsible police sources, a powerful bomb exploded early this morning in front of an insurance company here, damaging nearby buildings as well. There were no victims. The bomb went off at approximately 0240 at the front door of the building at 955 Moreno Street. The Alba Insurance Company is on the ground floor.

Many apartments and stores on Moreno Street, in the block between Tacuari and Bernardo de Yrigoyen Streets, had their windows and masonry broken, while the Perfometal company, on the ground floor of the building opposite the Alba company, was greatly damaged by the shock wave. The porter of the building, Jaime Jorge Valdez, who was inside when the explosion occurred, confirmed to TELAM that about a month ago, Peronist Youth leader Patricia Bullrich had installed her offices in Apartment No 4 on the fifth floor.

GOVERNMENT OFFICIAL CONFIRMS TERRORIST MEETING

PY131506 Madrid EFE in Spanish 0152 GMT 13 Feb 86

[Text] La Paz, 12 Feb (EFE) -- Deputy Interior Minister Guido Meruvia reported tonight that representatives of terrorist organizations from eight countries held a meeting last weekend in Santa Cruz, in eastern Bolivia.

Meruvia said that terrorists from Argentina, Chile, Nicaragua, Uruguay, Libya, Syria, Tunisia, and Jordan held a meeting in Bolivia, but that no one has been detained.

The deputy interior minister noted that "government security organizations are in control of the situation, and they are following the moves of the terrorists. Therefore, the people have no reason to worry. No terrorist movement has any possibility of succeeding in Bolivia."

Meruvia, in a statement broadcast tonight over radio and television, said "there are sectors seeking to destabilize the government with the ultimate objective of destroying the country, as is happening in other parts of the world."

CLARIFICATION ON STATUS OF HONG KONG IMMIGRANTS

PY131852 La Paz Cadena Panamericana in Spanish 1700 GMT 13 Feb 86

[Excerpts] Migration Department Under Secretary Willy Sandoval Moron today stated that because of the inability of Chamber of Deputies President Gaston Encina, there is a distortion of the facts regarding a proposal submitted by Chinese families who are willing to settle in Bolivia.

In a statement to Cadena Panamericana, Sandoval said that the Chinese families in question are not farmers, that is, they are not peasant families. He said: These are wealthy private businessmen who are leaving their country because in (?7) years from now Hong Kong will pass over to the PRC. Sandoval Moron said:

[Begin recording] I want to explain that this is a distortion of facts on the part of Gaston Encina, the present president of the Chamber of Deputies, who has always held negative views throughout his political career.

The Chamber of Deputies has already granted its official approval to this immigration program, because these are not just farmers. They are wealthy Hong Kong businessmen who will bring their own money to this country. [end recording]

BRIEFS

COCAINE CONFISCATED -- The customs office at Unduavi in the La Paz Department confiscated approximately 18 kg of cocaine hydrochloride on 9 February. The packages have been handed over to the drug control department. Two women, who were carrying the cocaine packages hidden among packets of coca leaves, were arrested. [Summary] [La Paz Cadena Panamericana in Spanish 1700 GMT 13 Feb 86 PY]

SARNEY REJECTS DUVALIER'S ASYLUM REQUEST

PY140251 Madrid EFE in Spanish 0213 GMT 14 Feb 86

[Text] Brasilia, 13 Feb (EFE) -- The U.S. and French ambassadors today unsuccessfully made desperate efforts to gain asylum in Brazil for former Haitian President Jean Claude Duvalier. Renato Guimaraes, the spokesman of the Brazilian Foreign Ministry, tonight reported to EFE that the repeated joint requests made by the U.S. and French Embassies were rejected on instructions from President Jose Sarney. Diego Asencio and Bernard Dorin, U.S. and French ambassadors respectively, today personally conducted negotiations to get asylum for the overthrown Haitian president who fled his country last week.

According to Guimaraes, the interim chief of consular affairs of the Foreign Ministry received a request 2 days ago regarding asylum from the French Embassy in Brasilia. The request was submitted to Sarney who rejected the possibility of asylum for the ousted Haitian president.

Duvalier, his family, and many of his personal aides last week fled Port-au-Prince aboard an airplane provided by the U.S. Government and landed in France, which granted temporary asylum. According to reports from Paris, the deadline established by the French Government ends on 14 February.

NEW CABINET APPOINTED; SWEARING-IN SCHEDULED

PY140137 Brasilia Domestic Service in Portuguese 2100 GMT 13 Feb 86

[Excerpt] [Passage omitted] Presidential Press Secretary Fernando Mesquita has released the names of the new ministers.

[Begin recording] Marco Antonio de Oliveira Maciel will be the chief of the civilian household; General Rubem Bayma Denys will remain chief of the military household; Paulo Brossard of the PMDB [Brazilian Democratic Movement Party] of Rio Grande do Sul will be justice minister; Admiral Henrique Saboya remains as Army minister; Roberto Costa do Abreu Sodre will be foreign relations minister; Dilson Funaro remains as finance minister; Jose Reinaldo Carneiro Tavares will be transportation minister; Governor Iris Rensende Machado will be agriculture minister; Jorge Bornhausen will be education minister; Almir Passioanotto remains as labor minister; General Otavio Moreira Lima remains as aeronautics minister; Roberto Santos will be health minister; Jose Hugo Castelo Branco will be industry and commerce minister; Aureliano Chaves remains as mines and energy minister; Ronaldo Costa Couto remains as interior minister; Antonio Carlos Magalhaes remains as communications minister; no one has yet been appointed welfare and social security minister; Celso Furtado will be culture minister; Denny Schwartz will be housing and environment minister; Renato Archer remains as science and technology minister; Nelson Figueiredo Ribeiro will be agrarian reform and development minister; Souza Cavalcanti Soarez will be irrigation affairs minister; Aluizio Alves remains administration minister; General Ivan de Souza Mendez remains chief of SNI [National Intelligence Service]; Admiral Jose Maria do Amaral Oliveira remains Armed Forces chief of staff; Joao Sayad remains as planning minister; and Jose Saulo Pereira Ramos will be legal adviser. [end recording]

The swearing in ceremony is scheduled for 0900 on 14 February in the main hall of the Planalto Palace. The new ministers will be sworn in and President Sarney will then deliver a speech. At the conclusion of the ceremony the president and the members of the new Cabinet will pose for pictures. According to the press under secretary, [name indistinct], the first meeting of the new Cabinet is still to be confirmed but it will probably be held on 18 or 19 February.

OFFICIALS REVISE ARMED FORCES EXPANSION PLAN

PY120259 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Feb 86 p 5

[Text] The Army will not draft at least 5,000 men as planned, because of the lack of financial resources. The plan for the land forces to have 188,000 men in uniform last year could not be fulfilled. These forces had less than 179,000 men. The plan for an annual 10-percent personnel increase so the Armed Forces will have 250,000 troops under arms by 1989 is not being complied with because of the lack of funds. Unless enough resources for that purpose are found that objective will not be attained.

The increase of Army personnel was discussed in a meeting with President Jose Sarney last week. Responding to a request by the president, Army Minister General Leonidas Pires Goncalves decided to review the plan and opted to implement it more slowly. The only reason for doing so is lack of resources.

When the Army begins to benefit from the execution of the modernization and re-equipping plan known as FT-90 late this year, personnel expansion could be accelerated. This year the FT-90 program will be funded with $300 million (nearly 3.7 trillion cruzeiros). An equal amount will be apportioned to the Army in 1987.

The Army Ministry this month begins to receive additional resources of 2.475 trillion cruzeiros. This sum will be used for communication equipment, computer equipment and maintenance, construction war materiel and quartermaster supplies. This sum is in addition to the 11.11 trillion cruzeiros in this year's Army budget.

"The economic difficulties experienced by the country have at no time affected the solid foundation of the Army," So states a report on "the most significant activities and accomplishments of the Army Ministry in 1985," distributed by the Social Communications Center. The report also sayd that in 1985, the Army has strictly adhered to its constitutional mission.

Regarding the activities carried out by the Army, the report says that studies were conducted on an aviation branch for the Army and a mountaineering instruction center; a new territorial division was established; a science and technology Secretariat was set up; and a program for antiaircraft artillery was developed. Regarding equipment, the report says that priority was given to acquisition of Brazilian-made materiel and that contracts for the modernization of vehicles and various weapons are being executed, as well as other contracts for wheeled vehicles and track or wheeled armored vehicles.

In closing, the report says "the Army in 1985 experienced a difficult period on account of the resource limitation imposed by the country's adverse financial situation." However, it says the essential objectives of the Army to fulfill its constitutional mission were achieved.

RELATIONS ESTABLISHED WITH NEW HAITIAN REGIME

Constitution Noted

PY112006 Santiago Domestic Service in Spanish 1630 GMT 11 Feb 86

[Text] The new Haitian Government has informed the Chilean Government about its Constitution. The Chilean Foreign Ministry has received an official message of this subject in the last few hours. This was confirmed by Chilean Foreign Ministry spokesman Pablo Valdez, who said that the message from the new Haitian regime gives the names of the new rulers as well as their promise to comply with all of Haiti's international commitments. Pablo Valdez added that the Chilean Government's reply to this letter will be delivered in the next few hours and is currently being prepared. Finally, Valdez confirmed that the fact that the Haitian ambassador in Santiago has delivered the message means that he still remains in his post. Valdez also said that Chile has not received asylum petitions from any Haitian.

Formal Recognition Extended

PY131438 Paris AFP in Spanish 1417 GMT 13 Feb 86

[Text] Santiago, 13 Feb (AFP) -- The Foreign Ministry reported today in Santiago that Chile has recognized the new Haitian civilian-military government. The recognition was conveyed to Haitian Ambassador to Chile, Max Jadotte, who 2 days ago presented to the Chilean authorities an official note from the civilian-military junta that has replaced President Jean-Claude Duvalier's regime.

INTERIOR MINISTRY SUES 3 POLITICAL LEADERS

PY120232 Santiago Domestic Service in Spanish 2200 GMT 11 Feb 86

[Text] The Interior Ministry has filed a law suit against three political leaders, charging them with violating the state security law. According to Alberto Rios, an Interior Ministry lawyer, one of the lawsuits was filed against Andres Palma, president of the Christian Democratic Youths, another against Social Democrat Manuel Sanhueza, and the third against Alenandro Toro, leader of the proscribed Communist Party. Toro had asked ANALISIS magazine to publish a communique from this illegal group.

The Interior Ministry lawyer stated that the government has based its decision on the fact that Palma, during an interview with ANALISIS, and Toro and Sanhueza, in signed articles, committed seceral crimes against state security. Among these crimes are insults against the president of the republic, inciting the paralyzation of national activities, and proposing indiscipline in the Armed Forces. The court immediately appointed judges to hear these cases. It was stated that Judge Marcos Liberinskyi will try Alejandro Toro, Sergio Medi will try Andres Palma, and Marco Aurelio Perales will try Manuel Sanhueza.

CDWU LEADER DISCUSSES NEED FOR DIALOGUE

PY131448 Madrid EFE in Spanish 0122 GMT 13 Feb 86

[Text] Santiago, 12 Feb (EFE) -- Christian Democratic World Union [CDWU] President Andres Zaldivar, a Chilean, today said that if the Chilean opposition and Armed Forces do not jointly seek a peaceful solution to the crisis, it will grow worse and become generalized.

Zaldivar made this statement during a press conference upon returning from a tour of Europe, the United States, the United Nations, and Central America. He added that most of the countries, organizations and individuals he visited share his view. In the United States, Zaldivar met with President Ronald Reagan and Secretary of State George Shultz, as well as congressional, labor, religious, and business representatives.

"Chile must take clear and concrete steps to seek a realistic transition formula toward a democracy in which all sectors participate, including the Armed Forces and the opposition. These steps should follow a realistic schedule and include the necessary constitutional changes. If they are not taken, our problem will grow worse and become generalized," Zaldivar said. "This is all the more so," he stressed, "when the government follows a policy of repression instead of opening the doors to dialogue and understanding." "The 1980 Constitution is not designed for a democratic solution and it allows for the continuation of the dictatorship," he stated, warning that "Time works against a democratic solution." Zaldivar concluded by saying that he will not be a candidate for reelection as CDWU president, because he intends to dedicate all his efforts to the Chilean political process.

EXILED MIR MEMBER PROMISES INCREASED RESISTANCE

PY140213 Santiago Domestic Service in Spanish 2200 GMT 13 Feb 86

[Text] Andres Pascal Allende, member of the Movement of the Revolutionary Left [MIR], asserted that the popular movement will engage in the last phase of its struggle against President Pinochet's government. During a press conference held in Managua, the Chilean terrorist living in exile denied that the use of violence is a factor that divides the opposition sector.

Pascal Allende asserted that the Chilean leftist sector is preparing a national stoppage that will incite insurrection within the next few months. He also said that the popular mobilization and armed struggle against the Chilean Government will be stepped up and that the use of violence is not a divisive factor within the opposition sector. We must now await sectors of the opposition, such as the Christian Democrats or others, to reassert this statement or deny it.

After assuring that the Chilean leftist sector does not intend to establish socialism, Pascal admitted that they are not struggling for a formal democracy in which the repressive institutions, the socio-economic system, and the army structure will remain intact. In this regard Pascal Allende stated that the Popular Democratic Movement, the Communist Party, the Socialist Party, and the MIR demand the establishment of a constituent assembly, the amendment of the judicial system, democratization of the Armed Forces, and the establishment of ownership concept that will be in keeping with a progressive democracy. Pascal thus confirmed that which the Chilean Government has repeatedly denounced.

Pascal Allende ended by stating that the revolutionary organizations will intensify the armed struggle that so far, he said, has been focused on propaganda.

COMMUNIQUE ON U.S. PLANE LANDING IN SAN ANDRES

PA132235 Bogota EL TIEMPO in Spanish 8 Feb 86 p 2 A

[By Gustavo Hernandez; all quotation marks as published]

[Text] San Andres, 7 [no month as published] -- A U.S. -registered plane with six crewmen aboard en route to Puerto Limon, Costa Rica, had to make an emergency landing at this island's airport.

The aircraft, with registration number N48216, from Miami, was piloted by Canadian Lasper Ronald. It had apparently suffered a minor malfunction, which was repaired by the airport mechanics.

The following is the communique issued by the Ministry of Foreign Relations:

"The Ministry of Foreign Relations of Colombia wishes to inform:

"1. That on 6 February at 0746, a DC-4 aircraft with registration number N48216, landed at the Sesquicentenario airport on San Andres Island, due to a mechanical failure.

"2. According to international regulations on the matter, it was offered the necessary cooperation to repair the problem.

"3. The Colombian authorities carried out the routine investigation for such cases.

"4. Once the aircraft was repaired, it was authorized to take off, on a flight plan with the destination of the city of Miami; included was a refueling stopover on Grand Cayman Island. The plane left the San Andres airport at 1702 on the afternoon of 7 February of the present year.

"5. The military authorities confirmed that the plane was not carrying weapons or ammunition in its cargo."

VILLAGE ABANDONED AFTER ARMY-FARC CLASH

PA131958 Bogota Television Service in Spanish 0000 GMT 11 Feb 86

[Text] Guerrilla fighting does not stop. San Francisco, a village in Yondo municipality, northeast Antioquia, has been abandoned by its 900 inhabitants, who were scared because of a recent clash between the Army and a Revolutionary Armed Forces of Colombia [FARC] column. As a result of the clash, one civilian, one soldier, and three subversives were killed.

BRIEFS

EXPORTS INCREASE -- The Bank of the Republic has reported that Colombian coffee exports reached $2.575 billion during 1985. This represents a 10.5 percent increase over the 1984 export figures. Colombia received revenues totaling $2.828 billion from other exports during the same period. General Colombian exports increased by 13.8 percent during 1985. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 8 Feb 86 PA]

GOVERNMENT TO SUPPORT STABILIZATION INITIATIVES

FL141250 Mexico City NOTIMEX in Spanish 0315 GMT Feb 86

[Text] Mexico City, 13 Feb (NOTIMEX) -- The Ecuadoran Government will join any acceptable initiative aimed at reestablishing the balance in the international oil market, which is facing a price war. This has been asserted by the Ecuadoran Foreign Minister in a document issued by the Ecuadoran Embassy in Mexico.

The document indicates that the drop in oil prices makes it difficult for developing oil exporting countries to fulfill their commitments abroad and their capabilities for financing imports, which are necessary for their development.

Ecuadoran Foreign Minister Edgar Teran underscored the need for a sincere and constructive dialogue among all oil exporting countries, whether they belong to OPEC or not, inasmuch as the nost effective way of reestablishing the balance of crude markets requires adequate and efficient coordination among all exporting countries.

Likewise, he said the Ecuadoran Government announced its decision of joining any action aimed at reestablishing the international oil market balance.

Teran also expressed his agreement and support to the principles based on the joint statements issued by the presidents of Mexico and Venezuela at their Cancun meeting.

OPPOSITION RESPONDS TO COLORADO STAND ON DIALOGUE

PY111312 [Editorial Report] Asuncion LA TARDE in Spanish on page 15 of its 6 February edition carries the reaction of several opposition political leaders to the stand taken by the official Colorado Party regarding the call for dialogue made by the Paraguayan Episcopal Conference.

With regard to the Colorado Party stand, Enrique Riera, vice president of the Colorado Popular Movement, (Mopoco) said: "My opinion is that I was not really expecting anything from the Colorado Party Executive Board." He added: "The worn-out argument invoking the electoral law does not convince anyone because the government uses that law only for electoral purposes and for registering political parties and establishing acronyms."

Miguel Angel Martinez Yaryes, president of the Authentic Radical Liberal Party, said that he was not surprised by the Colorado Party stand. He added: "I believe that the position of the Colorado Party does not represent a major change in the country's political scene." He said that he expects the church "to maintain its position advocating dialogue including all sectors."

Alfredo Rojas Leon, president of the Christian Democratic Party, said: "The call for dialogue is in the hands of the Paraguayan Episcopal Conference which is the organization in charge of deciding who will participate." He added: "If the Colorado Party leaders accept dialogue they would have to hold it under the established conditions, otherwise they will look like liars." He also said: "If they do not want to talk with the people included by the church, it means that what they said about accepting dialogue is a lie. They must talk with those people suggested by the church." In conclusion Rojas Leon said: "They cannot make conditions because they are not the ones calling for dialogue. In this case their argument is not valid."

Arnaldo Llorens, vice president of the Febrerista Revolutionary Party, said that the conditions made by the Colorado Party are an obstacle to dialogue. He said: "I believe that their stand obstructs the dialogue and discussion of the democratization issue. Obviously the attitude taken by the Colorado Party leaders, who see the situation in a different manner, is a stubborn position."

Asuncion ULTIMA HORA in Spanish on page 10 of its 6 February edition carries the reaction of Emilio Forestieri, the president of the Radical Liberal Party, who said that the Colorado Party has dealt a hard blow to the patriotic idea of beginning a national dialogue. He said, however, that the Colorado Party position should not be considered the final answer and that further efforts should be made to convince that party to support a dialogue.

Forestieri added: "I believe that the Colorado Party leaders have maintained their traditional position, that is, being faithful to the position of dealing exclusively with the parties which they label legitimate regular parties. This position contrasts with our position, which will be to continue open to dialogue because we believe that this is a historic mandate that we must face with courage together with all the democratic political parties." He added: "They stubbornly stick to the constitutional legal structure. The Radical Liberal Party believes that measures should be taken to perfect the country's democratic process by establishing equal terms among all political parties to put an end to the privileges enjoyed by the official party."

He also said: "All political parties should have access to the official radio station of the country; they must help in the return of the Paraguayans living in exile; we must try to put an end to censorship, and self-censorship in the national press; and we must prepare the defense of consumers against the spiraling inflation which is destroying the purchasing power of the workers and peasants."

ANTELCO WARNS RADIO NANDUTI, SANCTIONS REPORTER

PY132358 Asuncion DIARIO NOTICIAS in Spanish 13 Feb 86 p 8

[Text] The Executive Board of the National Administration for Telecommunications (Antelco) has released a resolution sanctioning the radio station Radio Nanduti and one of its employees, based on "Antelco's duty to ensure that the country's radio broadcasting services are trustworthy" and in compliance with the current laws. Resolution No 128 says: "Through this resolution we severely warn radio station ZP 14 Radio Nanduti and prohibit reporter Oscar Acosta, for a 90-day period, from conducting his radio and television activities."

The text, dated 12 February, was prepared during a meeting in which the false news broadcast by Radio Nanduti was analyzed. According to the finding, "Nanduti" broadcast the news that the "Voice of Colorado" had been sanctioned by the Paraguayan Episcopal Conference. This news, which was later denied, is the reason for the sanction by Antelco. The resolution is signed by military civil engineer Colonel Miguel C. Guanes, president of the executive board. Copies of the resolution were sent to the communications department, frequencies department, the public relations department, and to Radio Nanduti.

Yesterday, Antelco issued a circular, warning all radio station owners that they should only broadcast objective and trustworthy information. It also points out that the so-called "talk show" format is prohibited. The text of Antelco circular No 5, dated 12 February states that: "The directorate of the radio communications and frequencies department hereby reminds owners of radio and television stations that they should strictly observe the norms that regulate broadcasting, especially taking into account the following points: that the reports and information broadcast should be objective, trustworthy and obtained from reliable sources; that the so-called "talk show" format, that is, the direct broadcasting of a telephone conversation, is prohibited.

7 PLRA MEMBERS DETAINED IN ISLA PUCU

PY042101 Asuncion ULTIMA HORA in Spanish 3 Feb 86 p 10

[Excerpt] Seven members of the Authentic Radical Liberal Party (PLRA) were detained while attending a meeting in a private residence in the township of Isla Pucu, PLRA Secretary General Miguel Abdon Saguier reported this morning. Saguier said that Francisco Soca, chairman of the PLRA local committee, and Jose Medina are among the detainees. He added that there was no information on the identities of the other detainees because many PLRA members of Isla Pucu were attending the meeting. Saguier said: "This has been another arbitrary action taken by the government, especially considering that it took place in Isla Pucu -- Cordillera Department -- where the people can fully enjoy their freedom because the state of siege is not applicable there. Since the meeting was being held at a private residence, no special authorization was required, despite what the authorities have claimed.

GARCIA SPEECH ON ECONOMIC, SECURITY MEASURES

PY092055 Lima Domestic Service in Spanish 0109 GMT 8 Feb 86

[Speech to the nation by President Alan Garcia, 6 months after his inauguration, from Government House in Lima -- live]

[Text] At the end of the first 6 months of the new government, I would like to address the country to point out the objectives of the executive branch regarding the economic situation and internal order so that the people can participate in them and also to give a national and popular character to the struggle to overcome the crisis and begin the autonomous development of Peru. We are committed to this struggle.

In my first speech to the nation 6 months ago, I said on behalf of the American Revolutionary Popular Alliance [APRA] party that our goal was to build a nationalist, democratic, and popular government. However, I also warned of the very difficult circumstances under which the new government was beginning, and I proposed that the country suffer a time of difficulties to follow a new course.

We want a nationalist government to defend Peru's right to development in the face of the foreign debt, the world economy that invades us with its products, and the monopolies and transnationals which, with the help of bad governments, obtained execessive profits.

We want a democratic government that identifies itself with the majorities and the poor, a government that will do away with bureaucracy and immorality, that will call on social organizations to participate in health, housing, and legal policies. We want a popular government to overcome the unjust centralized government that is hurting us, and to put into operation a different economy from the economy that was imposed on us in the last few years under the IMF's protection.

It is about the economy that I want to talk to you first of all tonight; and second about the issue of internal order and the emergency measures implemented by the government to safeguard the people's order and security.

When we took over the government on 28 July 1985, inflation was threatening to go over 250 percent in 1985. In other words, a product that in January 1985 cost 100 soles could have cost 350 soles in December 1985. Moreover, the Peruvian currency was losing its value against the dollar. It was devalued over 200 percent. Therefore, the purchasing power of the people was decreasing very quickly.

In the face of this situation we put into operation an emergency program, which after 6 months, we can now evaluate. In the last 7 months of the previous government, inflation was 165 percent, but in the first 6 months of the APRA government, inflation was only 30 percent. In the last 7 months of the previous government the devaluation was 170 percent but in the first 6 months of this government the devaluation was only 12 percent. On 28 July we took over the government with a reserve of $894 million, but I can now say that we have a net reserve of $1.416 billion, which represents greater security for national development.

In the last few years salaries dropped drastically, but we can now say that although the purchasing power of wages has not increased much, this sudden drop has been stopped. In some cases such as the minimum wage, its increase has been much greater than the price increases. These are the concrete results of the emergency program, of an economic program for the people, without which the crisis would have continued at the same rate as during the previous government.

I am not saying that the crisis has been overcome. I am not saying that inflation has been stopped. This is a crisis that has been going on for many years, perhaps for centuries, which has been destroying our economy. It is going to take many years to overcome this crisis. However, after 6 months I can say that the fast developing crisis we inherited is slowing down gradually but surely.

We have had many problems during the last 6 months. The first problem was the skepticism of the economists, the doubt of the large and medium businessmen, and even the doubt of unionized popular sectors.

They believed that inflation would continue at the same rate as during the previous government. This is why they increased their prices and demanded wage increases similar to those granted in previous years. Another great problem is the present food shortage, which began early this year. This is the case with potatoes, which were affected by weather conditions that delayed the harvest and created speculation.

When the purchasing capacity of the poorest sectors increased, demand and sales of poultry increased by more than 50 percent, casuing another shortage. This was a problem caused by mistakes and unpredictable circumstances.

The media gave full coverage to this problem and came to the conclusion that the economic emergency program had failed. Some of the media were very happy about this. They did not realize that the shortage of potatoes could be resolved by consuming other products with greater food value such as rice, noodles, and bread. The prices of these products have not increased in the last 6 months. On the contrary, thanks to the government, their prices now are lower than they were on 28 July.

The important thing to clearly understand is that these are specific, passing problems and that despite the inconveniences, the fundamental part, the basis of the economic program is in force and will be maintained. We have taken the first step to stop inflation, and we must now take the second step to encourage production and growth which represents work, wellbeing, redistribution of wealth, and justice.

I have labeled the second step I am announcing tonight a great historic leap. To do this it will be necessary to call on the entire population because it will not only be the work of the government but of the entire nation. I already said that we have made progress against inflation, but I would like to warn that it will be useless to maintain food-price controls if food production is not increased.

This is why we must now establish that growth is our first priority, and we must reconfirm the essential points of the economic program, which received the support of the people during the last elections. When we began to have food shortages, when the first obstacles and dissatisfaction appeared, some people advised us to change the entire economic program and to return to the foreign proposals and the colonial protection of the IMF.

The IMF program is the one that leads us to the very serious economic crisis from which we are trying to extricate ourselves.

By taking advantage of the potato shortage, those who support the foreign theories, who were defeated in the last elections, are trying to recover their lost positions. For example, we are told that by increasing the consumption capacity of the poorest sectors we are creating a food shortage. They advise us to reduce the income of the poor and middle class to keep these sectors from being able to buy food, thus solving the shortages.

They tell us that price control and regulation discourage production because they limit profits. They demand that we not intervene in the economy, that we allow prices to increase without control, that we increase interest rates, which is the price of money, that we devalue the currency, and that we pay the unjust foreign debt in accordance with the IMF.

Despite the passing obstacles we have experienced, we cannot yield to these measures which would return us to the past.

The IMF is an institution created to govern the economy of poor countries and to guarantee the payment of debts to the international banks. On 28 July, Peru clarified its position regarding the IMF. On the debt issue, our decision to limit payments is recognized and is being followed by other nations.

We have an economic program devised by Peruvians for Peru. This is why we do not accept new loans under the economic conditions or the colonial protection of the IMF, which is the expression of modern imperialism. This is a substantial problem and there is a historic decision to be made, which will affect the basic life of all Peruvians, whether we subject ourselves to the imperial power of the richer nations, or whether we begin an independent and difficult path, but a path with a better future, will depend on this decision.

Only 4 months ago, I said at the UN General Assembly that we did not share the economic theories of the IMF because they were the theories that led us to bankruptcy over the last few years. I pointed out that the IMF imposed the U.S. dollar as the world currency, that it controls the economy of the poor countries, but it does not control the economy of the most powerful country in the world, which owns and issues the dollars. This is why that country makes us a satellite of its economy.

I also said that the IMF, in order to guarantee new loans, demands to intervene in the internal economy, and I warned that if this situation is not changed we would reconsider our membership in that institution. Now, after 4 months, we believe that our membership in the IMF is becoming more incompatible with the national and social objectives of this government. We are still a member of the IMF because we want to continue expressing our position to that organization. We want to call on other countries to take a new stand, and prove to them that the theories of the IMF are not valid and that it is useless as an intermediary in world economy.

We are engaged in a policy of growth and justice, a policy that cannot be implemented under the old IMF policies. This is the purpose of tonight's message, to call on the country for a policy of growth without attachments to foreign principles. The first 6 months of this administration were basically a struggle against inflation, and we must now take the second step.

A revolution is the national and social control over wealth, it is also the growth and development of resources and assets. Revolution cannot be made by proclaiming the distribution of misery in a stagnant economy. The government cannot limit its actions to control over prices in an economy that is not growing. We need a great national effort over the next 2 years in order to use all the idle resources of the country.

Our industry, centralized in Lima, continues to remain separate from Peru. As a result of poverty this industry does not have a market. In addition, this industry has been destroyed during the last 5 years by an open market policy that favored imports thus paralyzing the national industry.

Our agriculture, which by tradition is depressed and unproductive, concentrates the poorest Peruvians in the cities where they create a large underemployed social class involved in peddling. During the last few months basic measures have been taken by limiting imports, increasing consumption capacity, lowering interest rates, increasing agricultural credits, and creating direct assistance funds.

But this is not enough, a historic leap requires other measures and, above all, the conviction of the country to move ahead. For economic growth we need first of all to increase demand and the consumption capacity of the people because greater production in factories and on idle land will depend on consumption capacity.

This is why I would like to announce to the country the government's decision to order a general salary increase. Its first stage will be implemented this month. A wage increase which will not be a passing illusion; this increase should allow us to overcome price increases so that, for example, if inflation were 50 percent this year, the wage increase should surpass this figure.

In the public sector the wage increase in February will be 25 percent. For teachers, whose condition worries us, the salary increase will be 28 percent. Therefore, the average teacher's salary, which was 1,250,000 soles, will now be 1,615,000. [figures as heard]

In public and private enterprises without collective negotiations, the wage increase will also be 25 percent and the most important thing I would like to point out is that the wages of the 1 million Peruvians who earn the minimum wage will be considerably increased. When the APRA took over the government on 28 July, the workers on minimum wage were earning 360,000 soles. A wage increase was immediately ordered, raising their wages to 540,000 soles, and now with this increase in February the workers will earn 700,000 soles, thus almost doubling the wages they earned when we came to power.

This wage increase is ordered as a precaution against the price increases that may occur this year. Keeping in mind that if prices surpass this wage increase, the necessary corrective efforts will be made so that the working class will not lose its purchasing power as happened in the last few years.

Now, I would like to refer to the workers who, thanks to their organization, have the ability collectively to negotiate to obtain better salaries. I have seen negotiations in which requests have been made for wage increases comparable to the inflation levels of previous years.

It is true that in the last few years price increases came close to 200 percent but it is also true that in the last 6 months price increases have been reduced by 30 percent.

If the mistake of requesting wage increases in accordance with the situation in previous years is made, the only thing we will be doing is encouraging inflation by increasing production costs or issuing currency while production does not grow. Also, when excessive wages are paid to in one sector of the working class, other sectors that do not have negotiating capacity will find their wages inadequate.

This is why our realistic proposal for collective negotiation is to maintain real wages throughout the year and to increase them at a rate equivalent to our growth goals. However, the state does not only want to increase the consumption capacity of those who already have wages, but it also urgently wants to enlarge the number of consumers and workers. This is why an emergency effort was made to create a support program for temporary income, by which 50,000 extra families now have an income, a temporary income but an income after all, which will help improve their consumption capacity.

In addition to that effort, funds and resources have been created for social sectors which up to now have been unprotected. This is the case for example, of the peasant communities, which for the first time in history are getting an income directly from the state to carry out their projects. State funds have also been allocated to very poor provinces, which have been labeled microregions, for development projects.

This is the first part of the growth program. We need to increase the consumption capacity of the people in order to achieve our historic leap.

The second part of the growth program should achieve two objectives: increase production and prevent the wage increases from being passed along to prices. We know from experience that if prices go too high fewer products are sold, thus paralyzing the economy. But we also know that if the people's income is not increased there cannot be consumption capacity or production.

Therefore, it is worth asking how to increase wages without prices rising at the same rate. To achieve this we must reduce the other components of product prices. This is why the government has decided to reduce the sales tax from 11 percent to 6 percent.

Another decision was made to lower interest rates by 5 percent to reduce production costs; to lower electricity rates by 10 percent for industry and 20 percent for agriculture; and to lower the price of diesel oil by 10 percent to reduce transportation fares.

Naturally these measures are not going to automatically constrain the pressure for higher prices. Therefore, the state will carry out control measures to regulate prices in those cases in which despite these measures, production costs are higher than prices. The important thing in a price-regulation policy is to prevent prices from increasing faster than wage increases. This is the goal we have set for this year.

During the first 6 months of our administration, in the face of an inflation rate of over 200 percent, we were forced to carry out drastic control or freezing as an emergency measure to give relief to the people. In many cases this control was violated by speculators, but essentially it has allowed us to reduce inflation from 165 percent in the last 7 months of the previous government to 30 percent in the first 6 months of this administration.

In order to regulate prices we need a national effort. In this regard I would like to reiterate my request to the municipalities throughout the country because according to Article 68 of the Law of Municipalities, the local governments have the responsibility to watch over enforcement of price regulations and the control of supplies.

Therefore, we do not need either the complete freedom that leads to inflation and speculation, or a permanent freeze that creates paralyzation, which is an emergency measure. Just as the wage policies must stick to the objectives of inflation control and growth, the state will also continue watching production costs and prices to prevent abusive profitor monopolies. In this way by implementing the decree on monopolies, the state will exercise control and intervention to prevent large enterprises from abusing their dominant market position.

For example in the case of the industrialization of milk such as evaporated and powdered milk, we have found many irregularities and the formation of a monopoly which is prohibited by the Constitution. In Cajamarca the transnational enterprise Nestle produces powdered milk that it sells to National Enterprise for Industrial Marketing [ENCI] for 3,200 soles. ENCI then resells it at 1,500, thus subsidizing the operation of that enterprise. At the same time in Arequipa, Tacna, and Moquegua the same transnational Nestle, which owns Gloria Company, buys powdered milk from ENCI at 2,200 soles and sells it for 4,200 soles.

This contradiction benefits the transnational Nestle because in the north, Nestle sells us expensive powdered milk, and in the south Nestle buys inespensive powdered milk from us thus getting benefits in both cases from the state subsidy.

Moreover, the packaging of evaporated milk is uneconomical, because housewives throw 30 percent of its cost, that is, the cost of the tin can, into the trash can. In this obvious case of monopoly I hereby announce that the government will act in accordance with its powers.

The same thing has happened with the large multinational oil companies whose contracts were cancelled by the new government, which established a new set of rules, through which Belco Petroleum was expelled from the country, while Petroperu [state petroleum agency] takes over oil production in the sea, and Occidental Petroleum was compelled to accept new conditions.

Many objections can be made to this. The state does not claim that everything is perfect. Nothing is. However, there has been substantial and obvious progress in fundamental areas. The profit that Occidental Petroleum obtained per barrel of oil, which totaled $5 up to 28 July, has decreased to less than $1. Now the company is compelled to pay over 1 billion soles in taxes and to invest in the country, thus providing fresh money and improving a highly negative situation.

We are aware that there may be objections to this, but these are very small in relation to what has been achieved. The times of humiliation are over. If foreign capital is invested in our country, it will be done according to Peruvian laws.

The third part of the economic growth policy that has been proposed, in addition to expanding demand and avoiding an increase in production costs, aims at maintaining the value of the Peruvian currency so that it can match the value of foreign currency. In recent years, in view of the foreign debt payment policy and the overall import policy, the Peruvian sol suffered constant devaluations, and as the dollar price went up so did the prices of imported products, such as bread, noddles, and industrial supplies. But nothing of this sort is happening today in Peru.

Just as I announced in December 1985, the exchange rate will remain unchanged until 30 June. I can now add that there will be no change in the exchange rate for essential goods and supplies before the end of 1986. Therefore, for the first time in many years, the Peruvian currency will maintain its value for 15 continuous months. If necessary, the financial market will be used in the proportion that is necessary for exports, so as to guarantee their competitiveness on the international market.

In conclusion, through growing demand, lowered prices and production costs, by maintaining the exchange rate instead of implementing devaluations, and by imposing limits on the servicing of the foreign debt, we are promoting an economic growth policy aimed at all national sectors: agriculture, industry, and the social and production expenditures of the state.

Agriculture is the economic sector that is showing a slow reaction. Since for centuries it was left to oblivion and neglect, the agriculture sector is facing serious problems of production capacity. We have met those obstacles because we continue to implement an unproductive policy, and because we are still reaping what was sowed during the previous government.

We believe that if we are to achieve real growth in the agriculture sector, which is the best guarantee to achieve decentralization and democracy, we must make farm production a profitable business, that is, peasants should have profits. Up to now, few products have yielded profits. Only a few products have been guaranteed by the state; rice, for example. This is why the rice supply is generally normal. But other products, such as those produced in the highlands, have had no planning, and the profits of the peasants have not been guaranteed.

The case of potatoes is one such example. If any given crop is delayed, prices begin to rise on the market, and this temporarily high price prompts the farmers to double their production. As a result of this effort, the following crop is overabundant and prices crash through the floor, which discourages the farmers from planting potatoes again.

These ups and downs and this lack of planning benefits only small and big tradesmen, but not the peasants. The veritable revolution we are now launching is aimed at making the production of these foodstuffs profitable, that is, guaranteeing that the peasants can make a living regardless of the size of their land. For this the state has allocated 3 billion soles this year in a buffer fund that will guarantee the peasants a basic price for their produce. This basic price will allow the farmers to make a living and to expand their production.

During the first 6 months of this administration, credits have grown. Now credits will be increased even further, while at the same time interest rates on agrarian loans granted by the banks will be reduced once again in order to increase the production of foodstuffs. This is, indeed, a revolutionary development.

Interest on loans for agrarian purposes ran as high as 108 percent 6 months ago. Now interest rates on this type of loan are 25 percent for the coastal region, and 14 percent for the mountain region and the Andean area, that is Puno, the mountain Provinces of Cusco, Ayacucho, Abancay, and Huancavelica, as well as other provinces of Cajamarca, Huanuco, Ancash, Junin, Amazonas, Piura, and Loreto Departments. In all these places of the Andean area, the interest rate on agrarian loans will from now on be zero, that is, the government will not charge interest on loans granted to farmers, because these are the most impoverished areas in Peru, and we must seek their social rehabilitation through these measures.

This is a historic decision, because it means that the poor mountain region -- historically neglected for centuries -- that has been paying with its work and poverty the taxes that sustain Lima and the coastal region will have access to social justice through these interest-free loans.

This measure, as well as the reduced power rates and the reduced prices for fertilizers, will be the tools of the decentralizing revolution that we seek to accomplish.

Meanwhile, it is the government's duty to guarantee the supply of basic foodstuffs for national consumption while the domestic agricultural output grows. We have just increased wages, and this increase can affect the market immediately, but the growth of agricultural production is a slow process. Thus, this year we have established a fund for imports to ensure that imports will be resorted to more and more sporadically all the time, so as not to discourage the local farmers.

Our efforts will also be directed at giving back to the soil the social role it must play, which is to produce. We know that the land is frequently farmed in an irrational and unproductive manner that has distorted the purpose of the agrarian reform.

One example of this is Puno, where 44 cooperatives own 90 percent of the land allocated in this department under the agrarian reform. In these 44 cooperatives there are only a few thousand families, while there are more than 500 peasant communities with hundreds of thousands of families that have obtained only 10 percent of the land. In sum, the cooperatives have become the heirs of the landowners of the past who expropriated land that belonged to the communities, taking it away from the old residents.

Thus, in order to guarantee a better production and to restore the historical rights of the communities, the government has issued a decree reorganizing and reducing the size of cooperative enterprises in order to benefit the communities that will recover their historical rights and will be able to farm currently idle lands. This is a revolutionary development because it implies a broadening of the productive and social roles of the agrarian reform for the benefit of the most impoverished people.

However, the best chances for a speedy recovery and new jobs are to be found in the industrial and urban sectors. It is true that Peruvian industrial enterprises, mostly operating in Lima, often merely assemble foreign-manufactured products. However it is also true that our industry has been suffocated by IMF-inspired policies.

The imports of foreign goods and debts contracted in dollars have led our industry to its present crisis, a crisis for which the state is partly to blame. The blame for this industrial crisis is shared by the industrialists and the state alike, because the policies of the previous administration helped to plunge Peruvian industry into its present crisis, and now we are faced with a paradox: The books and accounts of the companies show that they are in the red and practically bankrupt, and we have quite a problem because there is money in the state banks but the state is unwilling to give any loans to the companies because it believes they are bankrupt without taking into account that the state itself helped bring about this bankruptcy.

In light of this problem, the state has decided to streamline the accounts of these companies to reactivate their productive capacity so these same companies can become elegible for state loans, as long as they are prepared to do their part to bring about the reactivation of the country. Thus, we hope that low interest rates will be reduced even further now. We hope that more credit and the other incentives we have been talking about will bolster industrial growth and increase and diversify nontraditional exports.

But all these efforts must be directed toward a great objective, that of responding to a social requirement and a historical demand of the people: more jobs.

In every district and province I have visited, especially in the shantytowns and the poorest places, I keep hearing the same call for work.

Peruvians do not want charity, they want work to make an honorable living, and as the head of a nationalist and popular administration I must propose the means to create jobs and satisfy the people's requirements.

Hundreds of thousands of Peruvians need jobs, and this cannot be accomplished through state actions alone. Through our program of assistance to those who are only temporarily employed, the government has already created 50,000 jobs. We are about to launch large infrastructure projects to create jobs, but most new jobs must result from activating the idle capacity of our industries and from increasing our agricultural production.

The state cannot order this to take place because to be able to do so it would have to place all Peruvian enterprises, large and small, under state control. Therefore, we urge all Peruvian businessmen and patriotic indsutrialists who have faith in the country to join the efforts of the government.

The great problem we are facing in this quest for new jobs is doubt concerning the possibilities of solving the crisis. This doubt is a fact, a very real psychological problem because it is the cause of the distrust being felt by capitalists and industrialists who doubt that Peru will be able to embark on a steady growth. Some are doubtful because of their bad political experience in the past, others because they would rather speculate with low production and increasing prices.

Despite the fact that inflation has been reduced, the dollar price maintained, and the reserves increased, many still believe this is something transitory and thus engage in a slow-down strike, which reduces the chances for reactivation. This is a great obstacle for the country.

Thus, when government officials propose to increase production and create job opportunities, they ask themselves the following question: What will happen if I add 100 workers to the factories in 1986? But if the situation worsens in 1987, then I will be stuck with the 100 workers and be in a deeper crisis.

This has been the situation in previous years, and the fear seems justified. It is a psychological but real obstacle. It is hampering production, and the only extreme measure with which to face it would be to place the entire economy under government control to manage it better. But this, of course, is neither Peru's desire, nor the government's objective. We believe it is possible to reconcile the ideas and to succeed in increasing the number of job opportunities in this emergency situation. We cannot stop because of mere speculations while hundreds of thousands are clamoring for a job to survive.

We need realistic solutions. On one hand, we have the capitalists' doubts, and on the other we have the labor organizations' demand for full labor stability. Moreover, we have the impatience and demands of hundreds of thousands of jobless Peruvians.

For this reason, I have asked the economy and labor ministers to seek a temporary and emergency formula that will help us deal with reality and create new employment opportunities for Peruvians. I believe we can guarantee full labor stability for those who are working today. At the same time, however, we want to launch an emergency labor program.

This could be achieved by organizing the unemployed into service cooperatives, or through a transitory solution that will reward the temporary job with a higher income, also guaranteeing social rights.

With this same objective during its first 6 months the government has created 50,000 job opportunities in the poorest sectors through the creation of a temporary assistance program. It is temporary employment. This is not the final solution, but it certainly is significant help to 50,000 families without resources, while we continue waiting for an economic solution for Peru.

In the agricultural and industrial sectors, the state will play the role of reactivation agent in two ways: through social expenditures, and through investments.

We believe the most important thing in a nonbureaucratic state is that expenditures be channeled to areas where they are most needed: social problems and survival.

This year, therefore, we will continue the effort by the Health Ministry to install 500 health centers to benefit the people in general. Many of these medical centers are already operating despite having been built with precarious means. To this we are going to add a national medicine program and vaccination campaign.

The other basic program, that of drinking water, will continue receiving preferential treatment from the government both in the cities -- where the number of projects has been doubled -- and in the villages and communities, by treating the water to make it drinkable.

Moreover, state expenditures will not be centralized in the cities or in urban institutions, but will be directly allotted to the communities and microregions, thus guaranteeing the nonbureaucratic use of state money for social purposes.

In investment programs, however, we will invest and spend according to different rules. Large foreign companies will no longer draft great programs and ignore the human employment factor, machines will no longer replace the man who needs wages. On the contrary, programs will provide jobs.

It is obvious that, in view of Peru's present economic condition, there are not enough resources to make these investments. We have no money for large expenditures. People must be made aware of this and understand the situation. But I believe that, although modestly, we can undertake some programs that in due time will help to promote national development.

Just as we have undertaken the Chao, Viru, Moche, and Chicama irrigation program in La Libertad Department, we intend to expand and undertake the irrigation of the left bank of the Santa River. We also intend to undertake the historic Cachis River program which was proposed by Bolivar in Ayacucho; the electrification of the Ica Valley, which will enable us to save oil; the definitive study of the Sangaban hydroelectric project in Puno; the agricultural development of the Majes plains, in order to take advantage of the enormous investments that have been made. We have criticized these investments.

All these projects and others will be undertaken. They will probably lack the speed of those that were built when it was possible to obtain credits that indebted the country because today the country is experiencing financial restructions. We can, however, at least start or continue them, modestly and through human work, and in so doing, the state will take part in the reactivation of economy.

In all, our purpose in this second phase is reactivation, and for this year it is to increase our internal consumption level, reduce costs, control prices, maintain the exchange rate, decrease interest rates to zero (in some regions), promote industry and agriculture, and propose the creation of a bold employment plan, as well as to direct state activities toward national growth. We are thus confirming the programs we started 6 months ago. That is, to reduce inflation progressively and to really democratize Peru.

When the APRA government took office based on ideals loyal to those principles laid down by [APRA founder Victor] Haya de la Torre and the APRA doctrine, I said that our society is distributed in a pyramid of injustice and that our goal is to change this structure slowly but surely. At the top part of this pyramid we will proceed to control monopolies, to restrict the profit of oil companies, to restructure taxes that have already been implemented, and to limit the profits of large companies; while at the other levels we seek to progressively improve the standard of living of our laborers, and more so, of that sector encompassed in the minimum salary group. For those at the forgotten base of the pyramid, we intend to make available zero-interest-rate financing to the depressed Sierra region; to offer assistance to communities and microregions; and to establish a 3 billion-soles fund for the agriculture sector. For the marginal urban sector we intend to create 50,000 new jobs, to extend the health services, and to curb inflation, which has previously been a sort of tax on the poor people.

I appeal for the assistance of the Peruvian people once again to achieve all these objectives; but more important, I appeal to their conscientousness, their reasoning, their conviction, and their will.

Now I would like to discuss the second subject of my speech:

Domestic Order

All Peruvians are aware that in the last 6 years, violence and unrest have increased, causing thousands of deaths, losses totalling hundreds of millions of soles in property losses, and increased instability.

No government can tolerate this situation, especially not a populist and nationalist government like ours. First it was the Andean violence, which started in Ayacucho, and during the repression of which there were reports of some excesses. Some say that the cause of this violence was misery. We believe we must differentiate between the just claims of those peasants condemned to use communal land, and the claims of those who commit, or are involved in crimes for the sake of a dogmatic and totalitarian ideology.

As a state we take up the claims of peasants and we struggle to answer them. We repudiate crime however, and we cannot forget it, especially when this type of violence resorts to caciquism and slavery, and when armed groups terrorize Andean communities, recruit them by force or through the use of primitive slogans, take advantage of poorly fed and precariously armed peasants, and use them as cannon fodder to confront the forces of order.

We repudiate violence because violence always favors those who carry guns. But we repudiate even more this kind of violence because totalitarian groups resort to the senseless and inhuman use of [illegible]an communities, which they threaten with death.

The government has confronted this problem in all its aspects. Despite the fact that there are still armed and subversive groups in the zone under state of emergency, no one can deny that it is these terrorist groups and not the state that is responsible for barbarism and excesses.

Government forces have not committed illegal excesses or executions in the last few months because it is the rule of a democratic state not to answer barbarism with barbarism. Therefore, those reports, which in many cases are either biased or wrong, that are circulating about excesses are referring to incidents that occurred in previous years because today there is a more selective and cautious action that, in addition to reasserting the civilized nature of our state, safeguards the image of our Armed Forces, which cannot be distorted or blemished because they are essential national institutions.

The government is promoting support programs for isolated areas to show their inhabitants that democracy can also bring well-being to them and that it is concerned with identifying criminals who may have been charged unfairly or for political reasons.

But we have witnessed that despite the government's democratic and nationalistic attitude, apparently they have no wish to achieve peace or to reinstate themselves in our democracy. We shall not yield in our efforts to urge and persuade them to do this. This is why, despite any obstacles, we reassert the need for a peace commission to issue constructive criticism against the government with the objective of promoting peace and avoiding excesses. This does not mean we are lowering our guard in our struggle against violence.

In the last few months we have had to confront violence not just in the Andean region. Now that it has been confined to the hills, well-planned violence has appeared in the cities aimed at destroying the new democratic thrust.

We do not, however, discard the possibility that new reactionary groups that have recently appeared may have the objective of destroying the government's nationalistic and populist efforts.

The successive attacks, arson, kidnappings, and murders make us think about professional violence. Faced with this as well as other types of violence, the state cannot remain aloof because it would be very dangerous for democracy to fail to defend itself, allowing itself to be blackmailed and destroyed.

Thus, the government has issued a supreme decree establishing as of today the state of emergency in Lima and the constitutional province of Callao in order to curb the violations of domestic order and peace by suspending constitutional guarantees and putting the Armed Forces in charge of preserving domestic order as long as the state of emergency remains in effect. The government has also levied a curfew in order to better control order.

Thus, we want to confirm that democracy is justice, tolerance, and flexibility, but it is also authority, with repressive severity against those who want to destroy it.

I call upon the people to come to the defense of democracy, which cannot be weakened by this effort to limit our opportunity for development and justice.

I also want the Peruvian people to help us fight terrorism, regardless of its origin, whether of the right or the left, because terrorism is fighting against this government of the people, and because it hinders democracy and the people's justice.

It is the duty of all Peruvians to put an end to the irrational action of these misguided people. No one can remain with his arms folded and watch what is happening in Peru.

The struggle against injustice and underdevelopment, as well as against violence and crime, is not just the task of the state. We do not want impassive Peruvians who are merely spectators. He who is not against violence is for it. And he who is not in favor of democrary is against it.

There is a clear and definite line that now forces us to take a position in defense of justice and in defense of freedom. Thus, we want everyone to help up put an end to irrational actions and to violence. We want an egalitarian social development and the redemption of the poor. We will achieve this by strengthening the democratic order.

We will not, however, use the same principles of authority or order that were used in the past. Then the principles of authority or order that defended order were the privileges of the large landowners, the transnational companies, and the exploiters.

Since 28 July we have talked about a principle of authority overwhelmingly supported by the people in their objective of establishing a new order of social justice. For these three subjects discussed tonight, I ask for the help and support of the people. I ask for the aid of my own party, the party of Haya de la Torre, which is made up of militants with conviction, who see in their government the long-awaited start of the building of a new Peru. Their objective is to reconstruct the country, and not just an opportunity to receive benefits from the budget.

I ask them to help. I ask the real APRA members and not those who are just joining us at the hour of victory. I ask for help from citizens whose objective is justice, peace, and life. To all Peruvians I ask for their effort, and I tell them that with that effort, democracy will not be disheartened, justice will not be stopped, the fatherland and the people will continue firm in their march toward the future. Thank you.

GOVERNMENT NAMES NEW PEACE COMMISSION MEMBERS

PY140115 Paris AFP in Spanish 2213 GMT 13 Feb 86

[Text] Lima, 13 Feb (AFP) -- The Peruvian Government today named the new members of the peace commission that President Alan Garcia created. The commission was created in an effort to begin a dialogue aimed at ending subversive violence and preserving human rights in the face of subversive actions.

The peace commission, which was created on 14 September 1985, was reduced from 6 members to 3. The former members resigned on 22 January, claiming that they were not receiving enough cooperation.

The new members are Dr Fernando Cabieses, who heads the commission, sociologist Cesar Rodriguez, and Engineer Mario Samame Boggio. Cabieses and Rodriguez were members of the original commission that resigned on 22 January. Cabieses said that the commission will advise the president on matters dealing with violence, that it will study this phenomenon and promote educational campaigns to help reduce it.

LATE REPORT: FOREIGN DEBT PAYMENTS POSTPONED

PY141250 Lima Radio del Pacifico in Spanish 1200 GMT 14 Feb 86

[Text] The government has postponed foreign debt payments for 6 months. This resolution is contained in a supreme decree signed by Economy Minister Luis Alva Castro.

FOREIGN MINISTER ON CONTADORA-SHULTZ MEETING

PY131808 Paris AFP in Spanish 0312 GMT 13 Feb 86

[Text] Montevideo, 12 Feb (AFP) -- Uruguayan Foreign Minister Enrique Iglesias today said that the Contadora Group has told the U.S. Government that the U.S. decision to continue supporting the rebels who are fighting the Nicaraguan Sandinist regime is contrary to the attitude of the Contadora Group. Iglesias returned to Montevideo tonight after participating on 10 February in a meeting with U.S. Secretary of State George Shultz and the eight foreign ministers of the Contadora Group and its Support Group.

Iglesias, who participated in the meeting with the foreign ministers from Colombia, Mexico, Panama, Venezuela, Argentina, Brazil, and Peru, said that the meeting in Washington was positive, but warned that the problems remain and there are considerable disagreements. He pointed out that this sort of consultation is totally new in the history of Latin American diplomacy and added that it is marked by U.S. willingness to establish a dialogue with the Contadora Group and its Support Group. He said that the different opinions were explained frankly, and despite the fact that the United States agreed with the Latin American foreign ministers on their final objective, there were problems about how to attain it.

Iglesias questioned President Reagan's decision to continue supporting and supplying the Nicaraguan contras, saying that this attitude is contrary to efforts made by the Contadora Group. There are other attitudes that are not favorable to the peaceful atmosphere we are seeking, but one of the essential points we stress is that all aid to the groups operating in the region must cease, Iglesias said, adding that peace will not be possible until this is achieved.

Iglesias said that he had brought some special messages from President Reagan for Uruguayan President Julio Maria Sanguinetti. He also reported that Harry Shlaudemann, U.S. roving ambassador for Central American affairs, will arrive in Montevideo to meet with Sanguinetti 17 February.

The Uruguayan foreign minister confirmed that the Cartagena Consensus followup committee, in which the 11 most indebted countries of Latin America are members, will meet soon at Punta del Este (139 km east of Montevideo), although the date has not yet been confirmed. The meeting, he said, will be held at the request of the presidents of Mexico, Miguel de la Madrid, and Venezuela, Jaime Lusinchi, who have expressed the need to discuss the spectacular fall of oil prices as soon as possible. The Cartagena followup committee comprises Argentina, Brazil, Colombia, Mexico, and Venezuela. Uruguay, where the temporary secretariat of the regional agreement is located, will also participate in the Punta del Este meeting. Iglesias said that the fall of oil prices must not be regarded as an isolated problem, because in the long run these sudden fluctuations will not favor anyone.

GOVERNMENT DECREES 18-PERCENT SALARY INCREASE

PY131913 Madrid EFE in Spanish 0300 GMT 13 Feb 86

[Text] Montevideo, 12 Feb (EFE) -- Uruguayan President Julio Maria Sanguinetti today decreed an 18-percent salary increase for all Uruguayan workers. The salary increase, the first implemented by the democratic government, apart from the laws regulating workers-employers negotiations, prompted an immediate reaction by trade unions.

The trade unions have demanded that the salary councils be convened. The government however has stated that "this time" it would officially set the salary increase. The official decision was regarded as "a return to dictatorship" because there were no trade unions allowed in Uruguay under the military regime and salary increases were established by decree. This salary increase will be effective until 31 May 1986.

The trade unions term the increase as insufficient because inflation has reach 25 percent over the last quarter. According to the governmental Statistics and Census Directorate, the January inflation rate was 5.65 percent. The Interunion Workers Plenum [PIT] and the National Convention (PIT-CNT) had asked for a 30-percent increase.

SWEDISH DEPUTY FOREIGN MINISTER ARRIVES

PY121533 Paris AFP in Spanish 1332 GMT 12 Feb 86

[Text] Montevideo, 12 Feb (AFP) -- Swedish Deputy Foreign Minister Pierre Schori arrived last night in Montevideo on a 24-hour visit. He will hold meetings with Uruguayan President Julio Sanguinetti and opposition leaders. Shortly after arriving, Schori stated that during the dictatorship a wall confined Uruguay. He said that this is an initial political visit to get better acquainted with the Uruguayan leadership.

According to Uruguayan Foreign Ministry sources, while in Montevideo, the Swedish visitor will discuss the Latin American foreign debt issue and the efforts being made by the Contadora Group to achieve a peaceful solution to the Central American crisis. During the meeting with Schori, Sanguinetti will formalize an invitation for Swedish Prime Minister Olof Palme to visit Uruguay in 1986.

BRIEFS

NEW SUPREME COURT PRESIDENT -- The Uruguayan Supreme Court yesterday appointed Armando Tommasino as its president for the current year. [Summary] [Montevideo EL DIA in Spanish 4 Feb 86 p 6 PY]

SEPULVEDA MEETS WITH UN SECRETARY GENERAL

FL130252 Mexico City NOTIMEX in Spanish 2145 GMT 12 Feb 86

[Text] United Nations, 12 Feb (NOTIMEX) -- After meeting with UN Secretary General Javier Perez de Cuellar, Foreign Secretary Bernardo Sepulveda Amor said this afternoon that the United States wants a politically negotiated solution to the Central American problem. It seems to me, he added, that we should work in that direction and put that idea into action.

Later, upon referring to the meeting held Monday in Washington between eight Latin American foreign ministers and U.S. Secretary of State George Shultz, Sepulveda Amor said that this process continues the evolution of the UN international assistance projects presented by Mexico as a result of the September earthquakes. The UN Assistance Committee is the coordinating organism and driving force for the execution of those projects.

During this meeting with Perez de Cuellar, the foreign secretary discussed the Latin American economy, principally the general fall of raw material prices. It is a phenomenon that affects tin as well as meat, wool, oil, cereals, and other basic essential Latin American products.

Upon referring to the nine-point Caraballeda document, Sepulveda Amor said that to create the confidence that is indispensable for attaining peace, both security and democracy in Central America are necessary for the nine points to be put into simultaneous operation.

We do not think it would be adequate to put one of the points into action and exclude the others, he said. They must be applied jointly, assigning responsibilities to the distinct parts.

OFFICIAL EXPLAINS UN VOTING POLICY WILL NOT CHANGE

FL130236 Mexico City NOTIMEX in Spanish 2136 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- Alfonso de Rosenzweig, foreign affairs deputy secretary, said here today that Mexico will not change its international policy at the UN forum even though in some cases the policy does not coincide with the interests of other countries. He recognized that Mexico's vote and attitude on certain topics discussed at the United Nations has irritated certain countries, but he said this has always been done in accordance with the principles of Mexican policy and interest.

De Rosenzweig said: Mexico always votes at the United Nations in accordance to the principles of our policy and traditional interests. Obviously, in some cases, Mexico's goals do not concide with the interests of other countries, and we regret this, but we defend our interests, and there is no reason to change, he said.

Interviewed outside the presidential residence of Los Pinos, De Rosenzweig also discussed the situation in Central America and the Contadora Group's peace efforts. The situation has not improved, but Contadora will continue its task as long as the problem exists, said the Mexican diplomat. He added that it is not possible to expect a rapid solution.

De Rosenzweig also said that the Contadora Group will continue to work and be attentive to events, even though there is opposition to the Contadora Group's efforts. Everything possible will be done to avoid aggravating the situation, he said.

SECRETARIAT DENIES NEW CREDITS REQUESTED

FL122217 Mexico City NOTIMEX in Spanish 2150 GMT 11 Feb 86

[Text] Mexico City, 11 Feb (NOTIMEX) -- Mexico might be able to amortize the payment of its foreign debt service if foreign banks lower their interest rates, it has been asserted by the Mexican Finance and Public Credit Secretariat.

The secretariat stated that the Mexican Government has not decided yet what economic policy will be adopted concerning the crisis, which has worsened the international oil market's instability.

So long as this is uncertain, it added, Mexico will not be able to decide what measures will be adopted, so it is merely studying the effects of the sharp decline in crude oil prices.

The secretariat added that there is optimism in the economic cabinet, because the international banks will lower their interest rates, and Mexico would be able to pay a large amount of its debt interests, which would be an amortization of the debt itself.

In addition, the secretariat said that the government has not requested more credit from the international banks, as it was claimed this week.

Mexico cannot negotiate new credits, because they must first be approved by the nation's congress, and this approval has not been requested.

DEPUTY SECRETARY DISCUSSES GATT MEETING RESULTS

PA131742 Mexico City XHDF Television Network in Spanish 1955 GMT 12 Feb 86

[Report by Humberto Salgado from Geneva, Switzerland]

[Text] Today, during the monthly GATT meeting, in which political solutions and international commercial problems of member-states are evaluated, Mr Luis Bravo, deputy secretary of commerce and industrial development, outlined Mexico's commercial policy, a topic that attracted the interest of GATT specialists.

As Mexico's official representative, Luis Bravo will also visit other European countries to seek a program of commercial exchanges. He made some comments for "Imevision Newscast" at the GATT Reception Hall:

[Begin recording] [Salgado] Mr Bravo, what kind of reaction did you receive from your presentation of Mexico's foreign commercial and economic policy before GATT?

[Bravo] It was very positive; a work group that will consider the country's GATT membership was unanimously established. This is a first step in our country's admission; a schedule was set to ensure that a protocol for our country's admission will be fully completed in order to submit it for the approval of the members involved.

[Salgado] Is the acceptance of Mexico in GATT vitally important?

[Bravo] We think it is very important to have assured access to international markets in view of the economic policy being implemented by our country of opening its economy and promoting exports. Our membership in GATT gives us that security.

[Salgado] Thank you very much. [end recording]

LABASTIDA RETURNS; PLANS OIL STRATEGY MEETING

FL132128 Mexico City NOTIMEX in Spanish 0405 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- Mexico will not alter its goals for the petroleum industry and will only change its strategy to avoid an oil price war, Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa said upon his arrival in this capital.

After completing a trip through Europe and the Middle East in the company of Venezuelan Minister of Energy and Mines Arturo Hernandez Grisanti, the Mexican energy secretary said he will meet with President Miguel de la Madrid next week to draw up a new oil strategy without affecting national interests.

Labastida Ochoa stressed the fact that the situation of the present world crude oil market is quite difficult because no agreement on oil prices is in sight. He explained that if Mexico and Venezuela withdrew from the oil market, other nations would take over their sales because Mexico and Venezuela together produce only 12 percent of all the oil consumed. The Mexican official said that Mexico has enormous potential without the foreign exchange provided by oil but that hard work by all the country's productive sectors is required to develop this potential.

Labastida Ochoa traveled to Geneva, London, Cairo, and Vienna to evaluate the present situation of the world oil market and to study its evolution, complications, and possibilities.

WELL DRILLING CANCELLED DUE TO OIL PRICE DROP

FL140210 Mexico City NOTIMEX in Spanish 0002 GMT 14 Feb 86

[Text] Mexico City, 13 Feb 86 (NOTIMEX) -- The projects for drilling and exploiting two oil wells off the coast of the Mexican port of Veracruz have been cancelled due to the drop of oil on the international oil market, the Mexican Chamber of Deputies has announced.

The president of the Fishing Commission of the Chamber of Deputies added that work on the wells Cacholote Primero and Enegada 101, in the Gulf of Mexico, will be suspended until the prices on the international oil market stabilize.

'HINDUS' LINKED TO GANDHI MURDER ARRESTED

PA131700 Paris AFP in Spanish 1637 GMT 13 Feb 86

[Text] Mexico, 13 Feb (AFP) -- Twenty-nine Hindus, "presumably linked to the assassination of Indira Gandhi," were arrested by the Mexican Interior Secretariat and are being investigated, an immigration official announced today.

The Hindus were arrested last Wednesday in Oaxaca -- 500 km south of the Mexican capital -- shortly after entering the country through the border with Guatemala, said Jose Jimenez, and employee of the immigration office in the area. The prisoners, whose names were not disclosed, were planning to seek asylum in the United States, according to the same source. Before arriving in Mexico, the official said, the Hindus were in Pakistan and later travelled to Panama. Without providing further explanations, Jimenez said that the prisoners had participated in the assassination of Indian Prime Minister Indira Gandhi, because of which they were transferred to the Mexican capital to be investigated.

FSLN COMMANDERS REPORTEDLY OWN LOCAL COMPANIES

PA130024 Panama City LA PRENSA in Spanish 11 Feb 86 p 10 A

["Other Media" column: "Sandinist Leaders Have Companies Abroad"]

[Text] The latest issue of the biweekly magazine FORO CENTROAMERICANO reports on a number of private companies owned by nine Sandinist commanders. Most of these companies are abroad, resulting in a loss of foreign exchange badly needed by the deteriorating Nicaraguan economy.

The published list contained only some of the corporations owned by some of the commanders, but all the corporations are administered by Foreign Trade Minister Alejandro Martinez Cuenca. The more visible leaders in this private commander's consortium after Martinez Cuenca are Luis Lacayo, first cousin of dictator Anastasio Somoza Debayle, Bernardo Chamorro Cuadra, nephew of present [as published] Finance Minister Joaquin Cuadra, and Wilfredo Delgado. The banks the commanders use to carry out their operations in Panama are the "Banco Sudamerikansich and the Banco Aleman."

Some of the companies owned by the commanders are the following:

Holding Investment Corp., based in Managua. The manager is Paul Atha, who has been implicated in international drug trafficking. The owner of this business is Tomas Borge.

Analib; also based in Managua, located in the Bolonia neighborhood. The manager is Salvador Abdala, and the owner is Commander Jaime Wheelock.

Shipping Service, based in Panama. The manager is Raul Romero, and the owners are Commanders Humberto Ortega and Tomas Borge.

La Moderna, S.A., also located in Panama. The manager is Augustin Lancho, and it is owned by Sandinist Defense Minister Humberto Ortega.

Commercial Latinoamericana, which operates in Panama. Augustin Lancho is listed as manager, and the company is owned by Commander Daniel Ortega.

Trans Group, also located in Panama, is owned by Jaime Wheelock.

Aero Commodities, based in Madrid, Spain, is also owned by Jaime Wheelock.

World Commerce Center, a luxurious commerical center located in Toronto, Canada, is owned by the nine commanders of the FSLN National Directorate.

Deltone Trading Corp, located in Ontario, Canada. The owner is Foreign Trade Minister Alejandro Martinez Cuenca.

According to FORO CENTROAMERICANO, one does not need much imagination to figure out how these companies are financed, because with the sole exception of Luis Carrion, the only bourgeois commander in the National Directorate, the others were revolutionaries who lived cladestinely and supposedly endured hunger and suffering.

(LA PRENSA note: Taken from Radio Impacto, San Jose Costa Rica)

COSTA RICA

NICARAGUAN EXPLANATION ON LAS CRUCITAS ACCEPTED

PA140405 San Jose Radio Reloj in Spanish 0100 GMT 14 Feb 86

[Text] With an exchange of official notes signed by the presidents of the two countries, Costa Rica has accepted the Sandinist government's explanations over the events that occurred at the border area of Las Crucitas on 31 May. Although the Managua government's note does not explicitly offer excuses or accept responsibility for the deaths of the two Civil Guards and the wounding of 10 others, the Costa Rican Government considers its demands fulfilled. Based on this exchange of notes, the process for normalization of the frozen diplomatic relations between Costa Rica and Nicaragua has been initiated.

In the context of the OAS commission report dated 28 June 1985, the Nicaraguan government deplores the fact that the actions it was forced to take to defend its territory and national sovereignty against raids by mercenary forces from other countries resulted in the deaths of two Civil Guards, the note signed by Commander Daniel Ortega Saavedra said. The note also added that this same constant defense of the country, which is continuously being attacked, might have caused the unplanned violation of Costa Rican air space by Nicaraguan aircraft.

Elsewhere in the note, the Sandinist leader said Nicaragua reiterates that it does not plan any aggression against Costa Rica and only wants to base its relations with this country on respectful, peaceful, and constructive coexistence for peace between the two peoples and governments. As an expression of this purpose and a clear willingness to eliminate all obstacles to this objective, the Nicaraguan Government deplored the incident. In addition, Nicaragua acknowledged Costa Rica's efforts so the border area [words indistinct] and urges this country to continue these efforts.

The exchange of notes took place in the Foreign Ministry at noon, although the Costa Rican charge d'affaires in Nicaragua, Carmen Rojas, received the official note yesterday, Wednesday, at 1800. Nicaraguan Ambassador to San Jose Leonor Arguello delivered the official note to Costa Rican Foreign Minister Carlos Jose Gutierrez and received an answer by President Luis Alberto Monge accepting the Managua government's explanations. She said she expects these to be firm steps to strengthen relations between the two countries.

In the note delivered by Gutierrez to Arguello, which was addressed to Ortega and signed by Monge, the president said Costa Rica receives and accepts the Nicaraguan Government's explanations for the incident. He also said the explanations are effective steps for a permanent, respectful, and peaceful coexistence between the two nations. The Costa Rican Government has called for permanent peace and has made efforts in this direction, Monge said.

He also said: The Nicaraguan Government's statements have caused us to harbor hopes for an effective peace in Central America. Peace is an urgent ambition and need -- beyond the government's purposes -- for all peoples, Monge added. In addition, he said the problems between the two countries originated in the fact that they share common borders, and this requires the two countries to take joint and effective steps for a lasting and constructive peace, even though ideological, political, and social differences exist.

In the note, Monge also said Costa Rica is a representative democracy [words indistinct] peaceful relations with all peoples and governments of the world, he added. He further said the two countries should proceed to normalize diplomatic relations and continue their efforts so peace and tranquillity can exist in the border area. As a means to attain peace in the common border area, the president proposed to Nicaragua that the two countries jointly ask the Contadora and Support Groups to establish a force for permanent inspection and vigilance at the common border.

Monge thus reiterated a request that had been officially presented at the OAS last year after the Las Crucitas incident and because of the continued incidents at the border. Costa Rica expects Nicaragua to accept this proposal to guarantee vigilance and neutrality in the country in the face of Nicaragua's domestic conflict. Saying Costa Rica is satisfied with the Managua government's explanations because an objective has been attained and that it must be admitted that an action against Costa Rica has occurred, Gutierrez said the process for the normalization of relations will begin tomorrow.

Credentials will be prepared so Oscar Castro, Costa Rican ambassador to Managua, can travel to Nicaragua next week. In addition, Claudia Chamorro Cardenal, daughter of the murdered journalist Pedro Joaquin Chamorro, will be approved as the Nicaraguan ambassador to Costa Rica. Gutierrez also said that next week contacts between the ministers of economy of the two countries will be initiated so mechanisms can be established in order for Nicaragua to be able to tackle a $200 million debt.

NICARAGUA VIOLATES AIRSPACE IN BOCA DE SAN CARLOS

PA131246 San Jose Radio Reloj in Spanish 1210 GMT 13 Feb 86

[Text] Costa Rica will protest the incursion of Sandinist helicopters. The report of a new incursion by two Sandinist helicopters into Costa Rica's airspace in Boca de San Carlos area reached the Foreign Ministry yesterday afternoon. The Public Security Ministry said in the report that late last week two Sandinist helicopters entered our airspace. The civil police outlook post in the area opened fire using .50 caliber machineguns, but failed to hit either of the two aircraft, which then returned to Nicaragua.

On the basis of this information, the Foreign Ministry is preparing a new protest note that it will submit to the regime in Managua to demand that it respect our airspace if it wishes to maintain peaceful relations.

EL SALVADOR

DUARTE SAYS U.S. AID VITAL FOR DEMOCRACY

PA140213 San Salvador LA PRENSA GRAFICA in Spanish 13 Feb 86 p 14

[Text] Salvadoran President Jose Napoleon Duarte has said the U.S. Government's aid is vital for maintaining and strengthening Salvadoran democracy. He added that the terrorists tell lies, such as saying that this aid is to attack the people, while the opposite is actually true. This aid is used to help the people through all kinds of projects for their good. He made these statements at El Triunfo port during a ceremony to open 42 schools in Usulutan Department.

Duarte stressed the importance of the U.S. Government's aid to El Salvador and said the country would be ruined if it did not receive this aid.

He also said the faces of all those present at the ceremony showed gladness and thanked the U.S. Government through its representatives, who were also there, for this aid. They were James Bond, senator and member of the commission for assistance to the Central American people, and Louis Camenbert, an AID representative, who was a former schoolmate of Duarte's at a U.S. university.

In conclusion. Duarte said he conceives of economics as a discipline at the service of man, and not the other way around; that is to say, man should not serve economics. He added that for this reason he is making an effort to imrove the Salvadoran people's social and economic situation.

CARTER MEETS FDR-FMLN LEADERS IN MEXICO CITY

PA140129 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Feb 86

[Text] Three members of the FDR-FMLN's political and diplomatic commission met with Jimmy Carter, former U.S. president, in Mexico City on Tuesday, 11 February. Guillermo Manuel Ungo, Ruben Zamora, and Salvador Samayoa said the meeting with Mr Carter was positive and that the main topic discussed was the violation of human rights in El Salvador. In addition, and after meeting with the FDR-FMLN comrades, former President Carter said in a news conference that Central American leaders are more willing to reach a negotiated peace accord than he was inclined to believe.

He also indicated that the United States should rely more on a political peace process in Central America than on a military one. Mr Carter's words clearly refer to the warmongering policy that the Reagan government fosters in Central America and that has become the most important obstacle to peace in the region. Likewise, Mr Carter's meeting with the members of the political and diplomatic commission indicates the high degree of international recognition that our fronts enjoy as the genuine representatives of the Salvadoran people.

VENCEREMOS REPORTS CREATION OF NEW LABOR FRONT

PA121622 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Feb 86

[Text] The broadest labor front ever in the country's history has been created. Approximately 1,200 delegates who met on Saturday created the National Union of Salvadoran Workers, [Union National de Trabajadores Salvadorenos], UNTS, which is a broad front comprising Salvadoran workers. At the moment the front was created, its members demanded that the Napoleon Duarte government abrogate a number of economic measures [words indistinct] (?to end) the armed conflict.

Radio Venceremos will report now on the creation of the UNTS, an event which was also reported by workers through communiques issued in different news media in the country.

Attending the meeting creating the UNTS were representatives from over 100 labor, trade, and professional organizations in the country. Approximately 1,200 delegates attended, including the Democratic Popular Union, UPD. (?The meeting) was held in the Jose Simeon Canas Square instead of at the Students' Circle because the guards there stated they had received orders not to let anyone in.

This event started at 0830 and ended at 1230. Here are some of the points that were discussed: The delegates analyzed the government's plan for stabilization reactivation, known as the economic package.

They suggested to the regime that the package be abolished, arguing that it hurts workers, especially in those areas in which there has been a rise in the prices of fuel, agricultural products, construction materials, basic staple products, medicine, and public service.

The UNTS said the government must complement the abolition of the economic measures with the following measures:

1. The government should quickly begin a study on the social, economic, and political crisis, without demagoguery or (?partisan bias), taking all of the country's forces into consideration.

2. The government must decree an across-the-board wage hike in rural and urban areas. This increase must be in line with the cost of living increases that stem from the economic package. The hike must include all state and private employees, and must be accompanied by a price freeze.

3. The UNTS demands that the government absorb the debts of cooperatives and small and medium businesses because these debts, in dollars, have multiplied as a result of the devaluation.

4. The Agricultural and Livestock Bank should sell agricultural products at the prices offered in 1984 and 1985, and credits from interest [word indistinct] credits be maintained at the same level as last year.

Moreover, the UNTS is demanding that the Institute of Supply Regulation, IRA, subsidize the prices the (?middlemen) receive so they may obtain a minimum profit rate of 25 percent.

5. The government must [words indistinct] reopening and creation of new sources of jobs that may provide jobs to unemployed workers.

The UNTS, which was created Saturday by over 100 labor and trade unions, includes the following demands to the government:

In the agricultural field the government should begin the second phase of the agrarian reform and exonerate cooperatives in the reformed and non-reformed sectors from the agrarian debt.

In addition, the UNTS demands that the government implement this policy by granting credits at low interest rates.

7. [number as heard] [Words indistinct] existing health centers and construct new centers with sufficient equipment, medicine, and personnel to attend to the medical needs of the populations and implement disease prevention and environmental hygiene campaigns simultaneously.

In the educational field, the UNTS demands the opening of enclosed educational centers, the reconstruction of new centers, and the reconstruction of those destroyed by war. They also demand an enlargement of the University of El Salvador by assigning the necessary economic resources, equipment, and personnel to all educational centers, allowing them to attend to the entire student population.

In addition, the UNIS demands that the government implement a real and not demagogical adult literacy program to eliminate illiteracy in the country and establish what the workers call our own culture.

9. [number as heard] Via the Urban Housing Institute, IVU, the [word indistinct] and the Social Housing Fund, a broad plan for the reconstruction of houses at cost must be carried out by taking into consideration the increased size of families because the great objective should be to provide housing to all Salvadorans.

10. Respect for human rights must be guaranteed by putting an end to persecutions, jailings, disappearances, and murders of laborers, students, peasants, professionals, and other citizens. These measures must take place through the repeal of all those decrees restricting all social and economic rights of the Salvadoran population.

11. As for the displaced and refugee population, the government must create real, not demagogical, conditions to allow them to reconstruct their patrimony as in the case of Tenancingo, where integral development programs are taking place among the population.

12. The government must make its pacification policy effective by completing it with a resumption of a dialogue with the FMLN and FDR, by creating conditions to end the current conflict, and by allowing the resources being spent in the war to be used in implementing socioeconomic development programs to benefit the Salvadoran population. Only then will we be able to talk about a real peace in El Salvador.

Finally, the UNTS demands that the homeland's independence be recovered by stopping the practice of obtaining economic resources at the expense of compromising the country's sovereignty. In this regard, the UNTS said: The U.S. Government can continue to give us economic aid if it wishes, but it must be for the promotion of social development programs, not for the war.

The UNTS also voiced solidarity with the following demands:

1. Establish a program for hospital care for state and municipal employees and their families.

2. Establish a dignified retirement program for state and municipal workers after 30 years of service without an age limit with 100 percent of basic regular salary and [word indistinct] of 1,500 colones.

3. Establish 14 annual payments for state and municipal employees, including a bonus in June and December.

4. Guarantee a courtesy pass in buses for nurses and post office employees to help them cover daily expenses.

HONDURAS

REGALADO HERNANDEZ SWORN IN AS ARMED FORCES CHIEF

PA140214 Panama City ACAN in Spanish 0142 GMT 14 Feb 86

[Excerpt] Tegucigalpa, 13 Feb (ACAN-EFE) -- Tonight the Hunduran Congress swore in Colonel Humberto Regalado Hernandez, handing over to him the post of chief of the Armed Forces. Regalado Hernandez was elected last night to replace the acting chief, Colonel Efrain Lisandro Gonzalez, who is chief of the Joint General Staff and who, by law, occupied for 15 days the vacancy left by General Walter Lopez Reyes, who resigned the post.

Immediately after the swearing in ceremony, the congress recessed until tomorrow, when it will discuss a number of matters, including, possibly, the request for promotion to brigadier general of the new military chief.

Regalado Hernandez, 50, will head the Army until 27 January 1987, the post to which General Gustavo Alvarez Martinez had been elected but who was ousted by a " barracks coup" on 31 March 1984.

Interviewed on Regional Issues

PA131616 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Feb 86

[Telephone interview with Colonel Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces, by reporter Juan Bautista Vasquez in Tegucigalpa on 13 February -- recorded]

[Text] [Vasquez] Good morning, Colonel Regalado Hernandez. The National Congress has chosen you as commander in chief of the Honduran Armed Forces. Knowing your background in the military ranks, do you feel satisfied about having reached such a high post?

[Regalado] No doubt, a soldier's highest dream is to reach the highest post within his institution. As far as I am concerned, entrusting me with such a high post is a very high honor, an honor bestowed upon me by my comrades-in-arms as well as by the honorable deputies to the sovereign National Congress.

[Vasquez] Col Regalado, what can the Honduran people expect from you as chief of the Armed Forces?

[Regalado] The Constitution of the Republic defines the duties entrusted to the Armed Forces. Therefore, the Honduran people can rest totally assured that I will properly fulfill this constitutional mandate.

[Vasquez] Col Regalado, in recent days there has been a great deal of talk about the Armed Forces. There is talk that there are divisions. Now, what can you tell the Honduran people? Are there divisions within the Armed Forces?

[Regalado] That is a rumor circulated by some biased group. It has given rise to some speculation that is not accurate. I think there is no room for internal division within the Armed Forces as unity constitutes one of the main pillars of the Armed Forces.

[Vasquez] Col Regalado, in view of the difficult situation the Central American area is experiencing and the problems that have arisen between our country and Nicaragua, would you be prepared to hold talks with top Sandinist military chiefs?

[Regalado] Foreign policy is exclusively within the purview of the president. Any step I may take on this matter would be in compliance with other steps from the president.

[Vasquez] What are your views on our border problems with our neighboring country, El Salvador? Do you think a final solution will be found at the International Court of Justice at The Hague?

[Regalado] No one in Honduras in unconcerned about the border dispute with the Republic of El Salvador, and noone minimizes its importance. The important thing is that the Lima Peace Treaty left the door open to appeal to the highest international court to voluntarily submit ourselves, as sovereign states, to a binding legal ruling.

[Vasquez] Col Regalado, going back to the situation the Central American area is experiencing, this issue logically attracts the attention of the entire continent and the world. Do you think the Contadora Group and the newly formed support group will succeed in bringing peace to the area?

[Regalado] Well, the Honduran Government has always given its most (?unrestricted) support to the Contadora Group's bid to bring peace to the area. On this matter, I think Honduras' foreign policy will remain unchanged.

[Vasquez] Col Regalado, another major issue I would like to talk about during this interview concerns military relations between Honduras and the United States. Will the relationship become closer with you in command?

[Regalado] Yes, for some time now relations have been excellent. Therefore, they could not be any different in the military area.

[Vasquez] Well then, do you endorse continuation of the joint Honduran-U.S. military maneuvers?

[Regalado] (?Yes), as long as these serve to train and give experience to our Armed Forces. If they serve to provide training to the Armed Forces, I am totally in favor of the maneuvers.

[Vasquez] Col Regalado, although it has only been a short time since you were appointed commander in chief, do you think plans to further professionalize the Armed Forces and its different branches can be developed?

[Regalado] The Armed Forces are in a permanent process of professionalization. We can rate the results as excellent. As commander in chief, I will continue to promote current plans, as these benefit the Armed Forces.

[Vasquez] It has been reported that in the next few days there will be internal rotations or changes in diverse units of the Armed Forces and in diverse branches, too. Is that true, and if so, what would be these changes be, Col Regalado?

[Regalado] Rotation in command within the military structure is part of our fundamental law. My appointment as commander in chief of the Armed Forces may generate changes. At a future date, should these changes be needed, I will study this, and will provide the information at the opportune time.

[Vasquez] Will the Jose Azcona government have your personal support as well as your support as commander in chief, Col Regalado?

[Regalado] There is no need for me to reiterate the Armed Forces' backing. We are subordinate to it, and we comply with the hierarchical order.

[Vasquez] Here at Voz de Honduras we would like to discuss a very important issue with you. Does General Walter Lopez Reyes, former commander in chief of the Armed Forces, face any obstacle to returning to the country?

[Regalado] Juan Bautista, there are no legal impediments to Gen Lopez' return to the country.

[Vasquez] Col Regalado, what (?future) does Gen Lopez have within the Armed Forces?

[Regalado] Gen Lopez resigned from the post of commander in chief. He is still an officer on active duty. Obviously, he is committed to (?serve) and subject to any other assignment given to him.

[Vasquez] The Armed Forces have guaranteed the Honduran democratic process. The Honduran people respect and admire the Armed Forces for providing guarantees to the democratic process. In 1985 there were many examples of this, culminating with the guarantees provided during the 24 January elections. Col Regalado, will the Armed Forces remain on this course?

[Regalado] Recently, the Honduran people have demonstrated their great commitment to democracy. We owe ourselves to the people. Within the institution, the strong commitment to continue helping cement democracy in Honduras prevails.

[Vasquez] A few days ago, the peasant sector issued an important communique asking the Armed Forces for their cooperation so the government of the Republic would expedite the agrarian reform process. What are your views on this matter?

[Regalado] It is up to the government to define the strategies needed to expedite the agrarian reform process. As members of the Armed Forces, we must provide the government with the support asked of us.

[Vasquez] Peasant organizations have stated that they are prepared to cooperate with the Armed Forces regarding obligatory military service. However, they are demanding an end to forced recruitment. What would you have to say to that statement?

[Regalado] I congratulate the peasant organizations for their desire to cooperate with the Armed Forces. I would like to take advantage of this opportunity to say that the military service is a law currently in force in the Republic and all Hondurans must comply with it.

[Vasquez] Regarding politics, we know that the Army -- rather, the Armed Forces -- must be outside politics. However, this is a very important topic. Politicians, particularly the followers of Rafael Leonardo Callejas and the Azcona ALIPO [People's Liberal Alliance] coalition, have reached what they call a national unity agreement for a government of integration. How do the Armed Forces view that agreement? Do they think this agreement can last?

[Regalado] Well, Juan Bautista, I would rather not comment on this matter.

[Vasquez] Regarding other matters, Col Regalado, now discussing Central America, some time ago there was something known as the Central American Defense Council [Condeca] operating in the region. It was made up of top military representatives from the armed institutions of the five area countries. Do you think Condeca can be reactivated?

[Regalado] That institution is now inactive. I believe a meeting would be held first among the Central American countries to analyze and determine how it could be reactivated.

[Vasquez] Col Regalado, the Sandinist government has conducted a campaign against Honduras. In fact, early this week it introduced a counterrevolutionary defector. Nicaragua is accusing Honduras of lending its territory to counterrevolutionaries to prepare for their combat actions, with the support of the Honduran Armed Forces. What can you tell the Honduran people on this matter?

[Regalado] Juan Bautista, keep in mind that in the past the Somozist regime also accused Honduras of allowing its territory to be used by others.

[Vasquez] There is a great deal of talk in Nicaragua about a U.S. invasion, (?apparently) to oust the Sandinist government. Do you think this would be a solution to the problem, or, to the contrary, do you think that there could be a political solution?

[Regalado] Whether the United States invades or does not invade Nicaragua is within the purview of a sovereign country. However, I believe talks are a civilized way for nations to reach a political solution.

[Vasquez] Regarding the U.S. military aid to Honduras, it is said that Honduras is a good ally of the United States in the Central American region, and yet the United States does not reciprocate that stance, or, rather, that Honduras does not get the aid it should.

[Regalado] Currently, the military aid treaties [with the United States] are under revision in order for us to obtain what we need to ensure our own defense.

[Vasquez] Col Regalado, this is a very important topic. It is about missing people. Relatives of people who have disappeared in our country have talked a great deal about that. Moreover, there are campaigns underway to make the Armed Forces [words indistinct] a report on this topic. As commander in chief of that institution, chosen by the National Congress, what can you tell us?

[Regalado] The Armed Forces have repeatedly stated the need to present proof regarding missing people. To my knowledge no proof has been presented yet.

[Vasquez] Col Regalado, what about another campaign that started in late January and has continued in early February asking that the government decree a general amnesty?

[Regalado] It is up to the proper authorities to determine if the amnesty requested is in order. It is not within our purview to give advice on matters belonging to one of the branches of government.

[Vasquez] The Voz de Honduras news department thanks you for your kindness in giving us this exclusive statement, as you are about to be sworn in by the National Congress and will assume your command during a special ceremony to be held in the next few days. Do you have any special message for the Honduran people through Voz de Honduras?

[Regalado] To the Honduran people, with the deep respect I owe them: Please be assured that I will wholeheartedly fulfill the duties that have been given me through your representatives. I will strive my best to serve my country. I ask God to give me wisdom and strength in this new phase of my life as a soldier so I may fulfill the delicate mission I must fulfill.

NICARAGUA

REESTABLISHMENT OF TIES WITH COSTA RICA REPORTED

Ortega, Monge Exchange Notes

PA140435 Managua Domestic Service in Spanish 0305 GMT 14 Feb 86

[Text] The Nicaraguan and Costa Rican Governments have decided to reestablish diplomatic relations following talks by President Daniel Ortega Saavedra and Luis Alberto Monge, who voiced their willingness to seek efforts for peace in the region. This was stated in Communique No 9 issued tonight by the presidency of the Republic.

The following is the letter sent by President Ortega to President Monge:

The Nicaraguan Government, [word indistinct] on the report of the OAS commission dated 28 June 1985, deplores that the actions it was forced to take to defend its territory and the national sovereignty of Nicaragua from the actions of mercenary forces coming from other countries resulted in the death of two Costa Rican civil guards, and that this action to defend the country, which is constantly being subjected to a permanent aggression, has provoked the unpremeditated overflight of Costa Rican airspace by Nicaraguan aircraft.

Nicaragua reiterates that it harbors no desires to attack Costa Rica, and that it only wishes to base its relations with that brotherly country on respectful, peaceful, and constructive coexistence for the benefit of peace between our two peoples and governments.

As an expression of this purpose and in order to eliminate all its difficulties, the Nicaraguan Government deplores before the Costa Rican people and government the abovementioned events and recognizes the efforts Costa Rica makes so that its territory will not be used by counterrevolutionaries to the detriment of peaceful relations between both governments and countries, and urges that these efforts continue.

The Nicaraguan Government voices its willingness as of this moment to begin a new period of constructive relations based on friendship, mutual respect, and cooperation between our peoples and government.

Letter of President Monge to President Ortega:

Costa Rica receives and accepts the explanations given by the Nicaraguan Government of the deaths of two Civil Guards at Las Crucitas and concerning the violation of National airspace. The Nicaraguan Government's explanations are effective steps taken toward a permanent, respectful, and peaceful coexistence between both nations, a coexistence that the Costa Rican Government advocates and has permanently worked toward.

The current statements by your government lead us to harbor the hopes that peace will be effective in Central America because it constitutes, in addition to being the goal of the governments, an urgent need of the peoples.

Costa Rica desires that this coincidence with the desire of our peoples will be a permanent goal in the behavior of those of us who have assumed the responsibility of leading the people.

The problems between our countries stemming from the unavoidable fact that we share a border call for us to immediately take joint steps for a permanent and constructive task for the benefit of peace and the respectful relations between our peoples and governments, even though ideological, political, and social issues separate us. Costa Rica is an exemplary representative of democracy, and will continue to be so, and within this spirit it will contribute permanently to achieving peace and peaceful coexistence among the peoples and governments of the world.

I think we should proceed to normalize our diplomatic relations and continue joint efforts so there will be peace and tranquillity in our common border area. In order to achieve this, we propose that we jointly request to the eight member-countries of the Contadora Group and the Support Group the establishment of a permanent inspection and surveillance force in the common border area.

Managua, 13 February 1986. 25 years later, all weapons against aggression. Information and Press Directorates of the presidency of the Republic

Costa Rican Politicians Comment

PA131620 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] Rodrigo Saenz of the Costa Rican Broad Democratic Front has stated that Costa Rican President Luis Alberto Monge's decision to break diplomatic relations with Nicaragua and then re-establish them falls within the framework of the Reagan administration's pressures on Costa Rica. Here are his remarks:

[Begin Saenz recording] Monge's decision to break relations with Nicaragua falls within the framework of the pressures the United States has and is exerting on the Costa Rican Government to further worsen the situation in Central America. Now [words indistinct] reestablishing the relations. I feel it is a positive step [words indistinct] the path of consolidating peace and the traditional brotherhood between the peoples of Costa Rica and Nicaragua, he is on the right track.

Let us hope that this is an act of goodwill and that he will no longer act as in the past, when on the one hand he declared neutrality, but on the other hand remained tolerant of and permitted the counterrevolutionaries to attack the Nicaraguan people [words indistinct]. We hope this decision [words indistinct] the Socialist International told him that it was a grave mistake to break diplomatic relations and withdraw the Costa Rican ambassador to Managua [words indistinct] remove the contras once and for all from Costa Rican territory and prevent the use of our territory as a base of aggression against the Nicaraguan people. [end recording]

On his part, Costa Rican Deputy Eduardo Mora Valverde, who is attending the conference of Latin American and Caribbean political parties, said there can be no illusions about the new government of Oscar Arias because the United States will always exert pressure on the Costa Rican Government.

[Begin Mora recording] This decision is naturally very positive and beneficial. We are very happy about it. Nevertheless, I want to state that we should not have any illusions about future relations between Costa Rica and Nicaragua because very strong economic pressures are being applied on Costa Rica by the United States and [words indistinct]. Everything will depend on how we Costa Ricans who support the Nicaraguan revolution [words indistinct] and on the development of the situation in the Caribbean and in the world [words indistinct] the foreign policy of Oscar Arias. I think the decision is very positive and we are very happy about it. [end recording]

BORGE DISCUSSES MEETING WITH JIMMY CARTER

PA130401 Managua EL NUEVO DIARIO in Spanish 8 Feb 86 pp 1, 5

[Excerpts] Former U.S. President Jimmy Carter impressed Commander Tomas Borge as a politician "who acts, thinks, and speaks like a civilized man."

Immediately after saying goodbye to Carter in the hall of the Intercontinental Hotel, Interior Minister Borge said: "He gave us useful and interesting ideas that we will take into consideration." The two had previously talked at length in the ministerial office of the "Silvio Mayorga" building. They later walked along some corridors of the "Roberto Huembes" market in the capital.

Reagan's predecessor acknowledged the freedom he has enjoyed here to visit whomever he wanted, and to listen to various viewpoints, although he said he hopes to continue gathering information from common people affected by the policy of the Reagan government.

He asserted that he is against the Somozist guards. He said, however, that there must be flexibility with those who, without being Somozists, have presented demands "that are not excessive." He proposed a dialogue with non-Somozist contra leaders and recommends that military actions be halted during this dialogue.

Carter said no pretext should be given to the Reagan administration for a larger scale aggression. It would be a big mistake "because the "Sandinists would resist and could endure a lengthy war, but this would cost much bloodshed and many lives."

Carter told Borge he aims to prevent the continuation of the aid for the contras at the U.S. Congress. He added, however, that "there must be amnesty and reconciliation" in Nicaragua. This would be impossible if the two sides become "stubborn."

He also said: "I believe it is possible to have peace in the future and that I could be of help, despite my limited influence on the U.S. public."

Borge estimates that in this struggle with the counterrevolutionaries, Nicaragua has proportionately lost more men that the United States did in World War II. He said that in 6 years of revolution, more than 300 plots to kill members of the FSLN National Directorate have been disclosed. For this, he said, it would be foolish not to set up a state of emergency. "It would be the equivalent of not covering oneself when it is cold."

He also said the state of emergency does not entail the repression of public liberties. He told Carter: "You can feel safer here than in any of the so-called democratic countries. You can go to any city in the country at any time and no one will harm you."

The minister referred to the fact that LA PRENSA was not published the day before "in order to impress Mr Carter and to be able to say that there is no freedom of the press here." The paper was not published on its own volition, the leader said. He also asserted that the revolutionary government is in the best disposition for a dialogue "of understanding with the church hierarchy, even with Cardinal Obando y Bravo himself," whom he said has assumed a political stance and is an "influential bishop."

"I know you will meet with Obando y Bravo. Please tell him we are willing to hold a dialogue between the state and the hierarchy because we want peace. We are also interested in an understanding with the United States based on respect and not on force," he stressed.

Finally, Commander Borge said there are prison inmates here but not because they belong to the Conservative or Social Christian Parties or the union, but because they are linked to the counterrevolution. Similarly, there are Sandinist military men in prison for having violated the law.

REPORTAGE ON POLITICAL PARTIES CONFERENCE

Arce Speaks

PA131858 Managua Radio Sandino in Spanish 0108 GMT 13 Feb 86

[Speech by Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Commission, at the closing session of the Latin American and Caribbean Political Parties Conference held at Managua's Cesar Augusto Silva Convention Center -- live]

[Excerpts] Brothers in the National Directorate, comrades presiding over this closing event, comrades attending the parties conference: For the Sandinist Front this conference has been a formidable, successful, and productive experience.

You have said that this conference has enabled you to become more familiar with the Sandinist people's revolution, our people's program, their problems, and the commitment made by the large majority of Nicaraguans to defend [the revolution]. You have said this meeting has made it possible for the National Directorate to become more familiar with your positions and even with your criticism; but above all, it has enabled you to express active and militant solidarity with Nicaragua and the other Central American peoples; also, that this conference has made it possible for ideas to emerge, defining ideas that will materialize the unity and solidarity of Latin America and the Caribbean with the Central American peoples' struggles.

You have said that we Latin Americans are quickly learning that sovereignty, self-determination, and independence are vital concepts and you have asserted that to defend them today in Central America is to defend Latin America's honorable survival. You have said that the Latin American peoples are in a position to accept the challenge of defeating the view and the policy that seeks to turn our nation into the backyard of the United States and that the pretension that our countries' national interests must be subordinated to U.S. interests is now obsolete.

Here in Latin America, Reagan is already confronting, and will continue to confront in the future, the results of his policy of force in the economic, political, and military areas. You have asserted that in contrast, this small country, Nicaragua, has the support of the peoples of the world, especially the support of all Latin Americans.

Our people must know the conviction with which you have expressed your admiration for the revolution's efforts to maintain its democratization process even under war conditions. Our people must know that you have said that the Caraballeda declaration shows that Latin America can take political-diplomatic initiatives vis-a-vis the United States and that, as long as it firmly upholds the Latin Americanist principles, it can successfully promote a negotiated solution in the face of the Reagan administration's policy of force.

You have expressed the certainty that the Salvadoran revolutionary democrats will not slacken their efforts to develop a broad convergence movement in which all sectors will participate so it becomes possible to find a political solution in El Salvador to overcome the state of war, achieve national independence, and reflect the most profound aspirations of that fraternal people; in short, so that Salvadorans themselves can solve their own problems without having Reagan tell one of the parties what to do.

Our people must know you have expressed your conviction that to a large extent, Latin America's fate is at stake in the struggle currently waged by the Nicaraguan people.

You have said the conference has contributed to promoting Latin American unity to confront the aggressive stance of imperialism. You have said it is highly significant that more than 100 political parties have met here in Managua to speak collectively in favor of peace.

It is very important for our people to know that their firm opposition to mercenary aggression constitutes lessons in dignity that nourish the consciences of the Latin American peoples, as many of you have asserted. You have said that never before has a nation as attacked as Nicaragua been so respectful of international law, even turning to the international organizations recognized by the United States, and demonstrating that the United States itself is the one disavowing and violating international law and order. You have asserted that it is not possible to ask Nicaragua to sign a document until weapons are banned for those who come to murder Nicaraguans. You have said that there are those who would like to turn Contadora into Contradora [play on placename], but that this cannot be tolerated by Latin America. You have expressed your willingness to expand and multiply the solidarity committees with Nicaragua, to expand the popular moveme... that will bolster solidarity with our people and Contadora's negotiating effort from the very bases and through just, firm, and honorable positions. You have also said that that movement must be expanded in order to help avoid a war in Central America that would involve all Latin American and Caribbean peoples.

You have expressed an interest in our search for mechanisms to promote a discussion and a common effort among the continental political parties.

You have also said that Latin America's foreign debt is unpayable, not only for economic reasons, but for political and moral reasons as well, and that to defend, therefore, the peoples' causes so they can be masters of their own destinies is to defend our nations' chances to advance peacefully.

Our people will learn that many of you, on behalf of your peoples, have expressed your determination to lead and join the hundreds of thousands of Latin Americans who would fight beside us if the United States invades Nicaragua, with the certainty, moreover, that the aggressors would be defeated in many Ayacuchos [reference to decisive 19th century Latin American independence battle].

You have recalled that if the United States invades Nicaragua, El Salvador, or Central America, Che's motto of creating many Vietnams would become a historical need, and also that it is essential to organize a broad Bolivarian movement for sovereignty and against intervention. You have said that the only way to confront imperialism and authoritarianism is through unity that surpasses political differences, and that in Latin America this unity is not only a banner, but has also become a specific objective.

You have said that Nicaragua today is the concern as well as the maximum hope of the Latin American peoples and that you resolutely endorse Nicaragua's efforts in search of peace with independence and dignity. Dear comrades, rest assured that all this strengthens and lifts the morale of the Nicaraguan people.

Nothing is more current for the Central American peoples, for the peoples of Latin America and the Caribbean than engaging in a tenacious, firm, and determined struggle against the policy marked by force and intervention that characterizes the strategic doctrine of the ruling elite in the United States. At a recent meeting, a seminar for a select group, sponsored by the Pentagon and held in Washington with the participation of high-ranking officers of the General Staff, the Armed Forces, the Southern Command, the CIA, and the new-right ideologues, Defense Secretary Caspar Weinberger said:

We must decide if our interests justify an intervention. We must decide if the leadership that exists in a country is better or worse for its people and for our interests. We must decide in what manner intervention will take place, whether or not we will intervene, with what means, and through what agency this is to be done. If our involvement is justified, we must be prepared to act alone.

This phrase, this thought by Weinberger, is simply the brutal strategic military doctrine that the U.S. ruling elite implements and seeks to consolidate. It fundamentally reflects the baneful interests of the U.S. industrial-military complex. This doctrine, which is merely an aggressive revamping and improvement of the Truman Doctrine, of Document No 68 of the National Security Council, which refers to the national security doctrine proclaimed in 1950,is the one we are seeing imprudently implemented not only in Central America and the underdeveloped world, but also in the developed countries allied with the United States.

It is through this reactionary, militaristic, and hegemonic doctrine that they seek to impose "star wars" on mankind. It is under this brutal banner of modern-day corsairs that they intervened in Grenada in a cowardly fashion; that the United States is becoming increasingly involved in El Salvador; and that the United States has militarized Central America, establishing its permanent military presence in the region while training 75,000 U.S. Marines, from 1981 to this day, with its military maneuvers in Honduras. It is through this brutal doctrine that they organized a mercenary army to wipe out the young Nicaraguan revolution, as they regard it as incompatible with their national interests. It is through this doctrine that they uphold bloody and authoritarian regimes and conspire, pressure, and subdue the fragile democracies in our hemisphere.

Since 1981, in an increasingly intense and brazen manner, Sandinist Nicaragua has suffered in its own flesh the bloody consequences of this policy. This is why our people's resistance, the Nicaraguan people's dignity and patriotism, and our conviction stem from the fact that we are fighting not only for our dignity but also for that of the other oppressed people of our America. This determined and unswerving struggle by the Nicaraguan people has exacerbated the current U.S. leaders' anger and reactionary ire to the limit.

This is the policy we Nicaraguans have confronted. It is through this policy that the South African regime, Stroessner, and Pinochet are supported. It is against this policy that the Cuban people and the Nicaraguan people rebelled, and against which the Salvadoran people are rebelling today. This policy has brought not only weapons and bloodshed to Central America, but has also prolonged and expanded the regional economic and social crisis with the subsequent impoverishment of Central American workers. It is this policy, combined with unfair trade,which has led to the indebtedness of Latin America and Central America. The $5.609 billion that represented the foreign debt contracted by the Central American countries in 1978 was transformed last year into $15.6 billion -- a 178 percent increase.

Between 1980 and 1985, the GNP decreased in Guatemala by 6.2 percent, in El Salvador by 11.8 percent; in Honduras by 3 percent; and in Nicaragua by 4.4 percent. During this period of Reagan's policy in Central America, the per capita GNP was reduced by 16 percent throughout Central America. In most of our countries, during the same period, inflation rose by 284 percent. The weight of the foreign debt interest on exports increased by more than 143 percent, while the Central American economies saw their exports decline 17 percent between 1980-85.

In short, militarism, interventionism, recession, inflation, impoverishment,and restrictions on sovereignty have been the painful consequences of Reagan's imperialism in Central America.

Dear comrades: In the face of this policy, the Nicaraguan revolution perseveres invariably with its position, which calls for continued promotion of our political process within a framework of mixed economy, pluralism, and nonalignment. Nothing has made us change our course and, despite aggression and war, we will persevere in our program on behalf of the interests of the improverished majorities of our country and in defense of our sovereignty.

The FSLN's historical program stated: The Sandinist people's revolution will eliminate the foreign policy marked by submissiveness to the Yankee empire, and will establish a patriotic foreign policy in behalf of national independence and true universal peace. The Sandinist revolution will put an end to the use of Nicaragua as a base for Yankee aggression against other peoples and will practice solidarity with the fighting fraternal peoples. It is undeniable that it is our people's achievement of their political independence, their desire for freedom and national independence, and their Sandinist revolution, which causes the ire and reactionary anger of the current U.S. Administration.

The Sandinist people's revolution, with the FSLN at its vanguard, will continue to defend its program and will persevere in promoting cooperation and integration among our fraternal Central American countries, not only because this is in agreement with the principles of our revolution but because we are sure that there is a political and economic alternative for Central America based on our common history, our common productive activities involving sugar, coffee, cotton, bananas, meat, and fish and, above all, because we have the deepest conviction that peace, cooperation, and coexistence are in line with the deepest aspirations of the Central American, Latin American, and Caribbean peoples.

In our country we will continue to promote the people's force -- reflected in our daily productive work and up in the mountains, where the rifles rest on our people's shoulders; it is reflected without class distinction in the volunteer picking of coffee and cotton. We will persevere in our continued promotion of the revolution's political experience which has promoted and will continue to promote the participation of all Nicaraguans in the struggle for our sovereignty, national independence, and self-determination, in an effort to make nationalists, patriots, Christians, and Marxists all channel the force of their respective values in defense of the homeland and the revolution until peace is achieved and aggression and intervention in our country are defeated.

Today, when Reagan -- in a slap responding to the Caraballeda peace initiative -- announced in THE WASHINGTON POST that he will do everything in his power to obtain $100 million for the mercenary war against Nicaragua, we and our people will redouble our efforts to crush the aggressor. Lifted by your solidarity -- as you have committed yourselves to the noble cause of peace and nonintervention, and in accordance with your specific conditions and possibilities, we will join efforts to check aggression -- we will ready our gear. Let President Ronald Reagan and those supporting him in Congress know, and let the U.S. people, the international community, and all the world's peoples witness the fact that here in Nicaragua there are people waiting with olive branches in their hands, who can also hold a rifle. Twenty-five years later, all weapons against aggression. Free fatherland or death! [applause]

Cuba's Hart Address

PA131303 Managua Radio Sandino in Spanish 0000 GMT 13 Feb 86

[Speech by Armando Hart, member of the Communist Party of Cuba Politburo and culture minister, at the closing session of the Latin American and Caribbean Political Parties Conference held at Managua's Cesar Augusto Silva Convention Center -- live]

[Text] Companero Daniel Ortega, president of the Republic of Nicaragua and commander of the revolution; companeros of the FSLN National Directorate; companeros of the presidency [of the meeting], companero delegates and guests: I have brought the fraternal message of Cuba to this beautiful meeting. The generous Sandinist invitation to this meeting of honor is for the purpose of fostering the struggle against intervention in Central America and for peace. The event has also meant sometime decisive. In our opinion, we have taken a step further -- in the many that are taken nowadays -- for the unity of our America. For whomever contemplates Marti's thought, this carries great emotion. The topic of unity and nonintervention is as old as our lack of unity. Regarding our lack of unity, Bolivar, our father and founder, said: We have ploughed the seas. Nowadays, the threat of intervention in Central America and the problems related to the unpayable foreign debt that were analyzed some months ago in Havana intertwine and lead us to seek formulas to attain unity. If Yankee imperialism has been and is the main fosterer of our lack of unity and if the aggravation of interventionist tensions in Central America is what can unify us, let's speak of these crucial problems.

More than delivering a speech, I would like to discuss the consequences of a new intervention in Central America. In a memorable letter dated 4 August 1928, Augusto Cesar Sandino asked this question: Do the Latin American governments perhaps think that the Yankees only want and will be content with the conquest of Nicaragua? History proved him right. Today, nearly 60 years later, we can say: No one in either of the Americas will escape the true dangers of a direct U.S. intervention in Central America. By this pharisaism of U.S. propaganda, such an intervention, however, will represent the broadest catastrophe that democracy would have suffered on the continent.

Let's speak here on behalf of democracy and one and for all let's tell the Yankees that the violators of democracy are those who supported the Somozist regime for half a century. When, despite the United States, the revolutionary actions of the masses deposed the last of the Somozists, a true and genuine democracy began in the homeland of the general of free men. This democracy has even been strictly fulfilling the requirements of the so-called pluralist democracies. The largest cynicism has been that the United States, which engendered and supported Somozism, speaks of establishing democracy in Nicaragua. Let those in the U.S. Administration know that the time of Somoza has passed forever. Let them very clearly understand that we are in the age of Sandino.[applause] All the truth must be disclosed for the people in the United States, with whom we want to hold a relationship of equality and friendship.

The sad truth is that in the United States, illiteracy and ignorance are of such magnitude that a large portion of the U.S. population does not even know where Nicaragua is located. Mr Reagan should try first to settle the problems of poverty, discrimination, and ignorance prevailing in his own country before trying to give democracy and freedom lessons to the world. If the imperialists, so concerned over labels and adjectives, want to know what type of democracy there is in Nicaragua, we can tell them in a simple way that it is a Sandinist democracy.

The North American action against the Sandinist democracy will not be an aggression only against this dear sister nation, but also, as predicted by Sandino in his time, a menace to all of our America.

There is something else. Perhaps someday history will say that the direct U.S. intervention in Central America, if it should tragically take place, prompted the social revolution on the continent. Let Mr Reagan remember the Vietnam experience. Step by Step, they walked into a dead end street that ended in shameful defeat. The path they are now walking brings back to mind the early years of the seventies, when they began their incursion into Southeast Asia only to flee headlong in panic.

Some may ask if we want the revolution, then why not let the imperialists make that mistake? The answer is simple: The revolutionaries create changes, but always through methods that will produce the least possible sorrow to the peoples. The revolutionaries do not patronize violence. The revolutionaries and the peoples are driven to violence through the violent action of the reactionaries. Wherever the reactionaries act with greater impetuosity and establish a tyranny, the doors of rebellion open with overwhelming force. Such was the case with Batista in Cuba, with Somoza in Nicaragua, and with Duvalier in Haiti. We already see it coming in Chile today. The same could happen if Reagan's stupid imperialist policy stains this continent with blood and unleashes a process of social convulsion of unpredictable consequences.

There must be sensible leaders in North America, capable of realizing the menace that such a policy entails to the North American system itself. We the revolutionaries and politicians of Latin America and the Caribbean must warn them clearly, and the only way to do so -- as shown by experience -- is to remain firm and united, just as Nicaragua has done.

The people of Latin America and the Caribbean are and shall be, under whatever circumstances, on the side of the heroic people of Sandino and Fonseca Amador. This has been shown at the conference. With its victorious example of 19 July, Nicaragua reaffirmed that geographic misfortune is a myth no longer valid among us. Today the Salvadoran fighters represent another exemplary symbol of the rebel spirit of the Latin American peoples who fight with courage in Haiti and Chile, and who rise against the most adverse living conditions. The treacherous support offered by the United States to the UK in its colonial attack against the Argentine sovereignty in the Malvinas Islands again revealed the true nature of the so-called pan-Americanism. It reaffirmed to our people that only Latin American solidarity, based in the defense of our common interests, can challenge subjection to the colossus of the north. Only such Latin Americanism, deriving from the doctrine of Bolivar, Marti, and Sandino, and the forefathers of our independence, can preserve our sovereignty against the imperialist voracity.

It is precisely that Latin Americanism that inspires this variety of political forces gathered in this unifying scenario of Nicaragua. Democrats of many origins, communists, socialists, social democrats, Christian democrats, liberals, conservatives, radicals, Christians, military patriots, all of different political and philosophical orientations, are gathered at this conference to renovate and strengthen the deep roots of that clamor for unity of our peoples.

Let us join forces to try to avert the tragedy, and we shall do so with our determination, intelligence, and decision. Let us join forces beyond our political philosophical, religious, or any other differences. We must forever banish all sectarianism and try to bring into our cause all the patriots determined to fight. In our America, for example, the liberating force of the Christian faith is becoming evident, when it stems from the poor. I can affirm before you that I have faith in the liberating force of the Christians who understand with force and love the principle invoked by Fidel in the first year of the Cuban revolution when he said: He who betrays the poor, betrays Christ.

The great fatherland is threatened here on Central American soil. Reagan is fomenting the aggression against the Sandinist revolution and, at the same time, is giving abundant military aid to Duarte, supports Pinochet, and dispatches warships to Haitian waters to intimidate that people who rebelled against the bloody Duvalier dictatorship.

To justify his reactionary policy against Nicaragua, Reagan has had no limitations in the use of pressures and trickery, and in the fabrication of pretexts.

Reagan is delivering to the bands the most sophisticated and deadly weapons such as antiair missiles [cohetes antiaire] and Piranha speedboats. He has mined ports and carried out all types of sabotage. However, the dirty war he has been unleashed against Nicaragua is being defeated by the heroic resistance of the Sandinist fighters. We must redouble our solidarity with Nicaragua, and we must all be on the alert in the face of the actions that the United States is planning to take.

This qualitative escalation and the threat that the bands directed by the CIA might provoke a conflict somewhere along the Nicaraguan borders might be the pretext necessary for unleashing a confrontation of greater and unforeseen proportions, and even a direct intervention of the United States against Nicaragua.

That extreme is something that may or may not occur, according to a series of circumstances. Undoubtedly, Reagan's current policy seeks to defeat the Sandinist revolution without having to land the Marines. At the same time, he (?strives) to destroy this revolution. The United States is stepping up this escalation and this might lead to [words indistinct] in spite of the fact that such an action might be rejected even by the U.S. people, who do not and should not forget the Vietnam lesson.

We feel that it is the unavoidable duty of all the patriotic and anti-interventionist forces of this hemisphere -- and we have observed this is the case with the various speakers -- to do everything possible to prevent the aggressive escalation of the United States, because this would lead to a generalized war in Central America that would have a high cost for the peoples of the isthmus and would shake the land throughout the hemisphere.

If such a preposterous invasion were to take place, let the imperialists know that all of the Americas would make them pay an unbearable price for their crime. The peoples would never forgive such criminal madness.

Reagan is also trying to crush the Salvadoran people's desires for liberation, and his plans are being defeated. As Comrade Fidel Castro recently said, the Salvadorans have given the imperialists an example of the heroism, intelligence, and struggle capabilities of the Latin American peoples, which the Yankees always considered -- Fidel said -- as a strange and despicable mixture of proud Spaniards, primitive Indians, and ignorant blacks. Now, El Salvador, one of the smallest countries in the hemisphere, is showing the empire what the limits are of its power and strength, Fidel added.

Another outstanding example of the people's revolutionary struggles is that of Guatemala. For more than 20 years, this brother people and its devoted revolutionary movement have been heroically confronting ferocious dictatorships. A civilian government recently rose to power. The revolutionary force members of the URNG have presented a proposal of undeniable value to this new government.

Comrade Fidel voiced the stand of our party and government concerning the Contadora Group peace efforts. Cuba, Fidel said, has also participated in the search for a negotiated solution to the Central American conflict that should entail a commitment from the United States to give up its aggressive actions against the Nicaraguan people. Our first secretary said that to demand Nicaragua to make commitments without meeting this requirement first would be the same as requesting the negotiated [word indistinct] of the Sandinist revolution and renouncing the sovereignty and independence of the country.

Fidel also added that one must not forget the need for finding negotiated political solutions to the wars in El Salvador and Guatemala.

Comrades: Once again we reaffirm our firm support for the stands voiced by President Daniel Ortega to the presidents of the Contadora member-countries and the Support Group. The main obstacle to peace in Central America is the policy of U.S. imperialism, and it will not be possible to break the impasse to gain an effective peace as long as aggression exists. Let us demand -- and so it has been done at this conference -- an end to Yankee aggression against Nicaragua and to U.S. interference in Central America as a basic requirement for solving the conflict in the region.

In the fact of the threatening presence of Yankee troops, planes and ships in Central America, and in the face of the terrorism of the mercendary bands that are operating out of Honduran and Costa Rican territories, it is necessary, as has been stated here, for the various social and political sectors in our nations to make an increasingly forceful and broad denunciation, and produce as many initiatives as we are capable of creating, in accordance with each country's specific conditions and in line with future developments.

The imperialist intervention in Central America, the issue of the Malvinas, and the situation that led to the criminal U.S. invasion in Grenada are factors that in recent years have stimulated solidarity and unity among our Latin American and Caribbean peoples. To these we would have to add the sentiments and struggles of the hemisphere against the dictatorships that were eliminated by several democratic processes, whose governments are joining this growing Latin Americanism, in various ways and as a result of their peoples' demands.

There is no doubt that the deep economic crisis and the enormous and unpayable foreign debt also represent determining and decisive factors in the rapid convergence that is taking place among our peoples today. We have the Latin American Parliament today. Why should we not also aspire, in meetings similar to this one, for the parties and democratic organizations of America to pave the way to gain better knowledge of each other?

Our countries are different from each other. There are regional differences. There are cultural expressions of a different nature. Although Latin-originated languages are broadly represented, we cannot say that a variety of languages does not exist in our America. We defend unity based on the principle of diversity. Only our respect for the diversity of political organizations, cultural expressions, and nations can lead us to unity and diversity in America. An ethical principle is to be established, that of our Latin and Caribbean unity, that of respect for unity and diversity. We are diverse, yet we are a group of countries that form a great homeland. This community of nations that extends from the Bravo River to Patagonia possesses essential elements of common history and culture and has a stronger and stronger political, cultural, and moral presence in the modern world. Our America cannot and will not relinquish its right to bear decisive weight on tomorrow's world and will only be able to do so when it marches in unity along the path of its second and final independence.

We are still in debt to the founders. They showed us the path of a united America. Let's make gradual efforts for the common platform of this united America. Let's outline this platform. First of all, however, we feel that we all have to bear in mind an essential element of this unit. When one of us is attacked, as happens today in Central America, all of us must identify with the resisting people.

Our enemies can unite to attack us. The U.S. support for the United Kingdom in the Malvinas issue is a hard, yet fruitful lesson. The decisions the owners of the great financial centers make at the international banks and the meetings of finance minister regarding the foreign debt also show that they can unite. If they can unite in politics, economics, and war against us, what is the moral reason our peoples cannot also unite?

According to what I have heard here, I know well that this is a generalized feeling. We are truly indebted to something -- our necessary unity. We owe this to Simon Bolivar.

We think that our America's first moral law should be the intransigent defense of our people's rights to their full sovereignty. This is why we defend Nicaragua and Central America today just as we defended Torrijos and the Panama Canal yesterday. This principle has led Cuba to support Peru when, after it adopted decisions regarding the foreign debt, reprisals were taken against that fraternal people. We have militant solidarity with the Haitain people, we have combatant solidarity with the Chilean people, close-knit and profound solidarity that represents a commitment of honor for America is what we have with the Puerto Rican people.

Here in Nicarauga, in Central America, which is a key element of continental politics, new ethics and morality are being established: One that calls for defending the sovereiga rights of Nicaragua, El Salvador, and all the peoples of America to defend the path to their future. One must speak of ethics, one must speak of morality, one must use these principles as the basic orientation of any policy. We are politicians, but a policy devoid of moral foundation is a crime.

Our mere presence at this event proves that we have determination, that we have the willingness to defend the morality of America's unity vis-a-vis what Jose Marti called the unsettled and brutal North that despises us. The dreams of Sandino, Bolivar, and Marti induce us to defend Nicaragua and in the event that the United States should step up its support for the counterrevolution, we will redouble our militant solidarity.

As for Cuba, Fidel said it is the recently concluded third congress of our party. Fidel said: Who does Reagan think he qill scare with those threats, and who does he think he will discourage? He will not discourage the Nicaraguans. I am convinced that the [counterrevolutionary] bands will never be able to defeat the Nicaraguan people and the Sandinists. Fidel added: I am convinced of much more: That the Yankee Army will never be able to defeat the Nicaraguan people and will never be able to defeat the Sandinists. [applause]

Fidel continued, saying: They, the Sandinists, are also prepared to wage the war of all the people, and the fighting spirit and courage of the Nicaraguan brothers is proverbial.

Further on, Fidel pointed out: We can say that if they, referring to imperialism, increase aid to the Somozist bands, we shall do everything possible to increase our aid to the Nicaraguan people. [applause]

Comrades, friends, brothers, I am going to conclude. This meeting, it seems to us, is the true picture of the way our people learn toward unity today on our continent.

I think we have taken an important step forward. Let us continue. We must maintain and expand this unity. Let us take care of this unity as we do the pupil of our eyes.

This is an important service to the cause of Nicaragua, of nonintervention, and peace. It is, as well, brothers and companeros, the mandate of Bolivar, San Martin, O'Higgins, Sucre, Tiradentes, Tousaint Louverture, Artigas, Juarez, Marti, Santino, Albizu Campos, Fonseca Amador, Bishop, Torrijos, and Che [Guevara].

We are, in fact, still in debt to them, and I am sure we will pay this debt. Thus, we will prove that Bolivar had a positive effect on history.

Peruvian Representative Comments

PA131933 Managua Radio Sandino in Spanish 1930 GMT 12 Feb 86

[Excerpt] The Peruvian Government will not change its position on Nicaragua and Contadora despite the strong U.S. pressures on the Peruvian Government, which was given a peremptory deadline to pay part of its foreign debt, Luis Negreiro, secretary general of the ruling APRA [American Revolutionary Popular Alliance] of Peru, stated today. Negreiro, who is a personal representative of Peruvian President Alan Garcia, said efforts must be redoubled to reaffirm the anti-imperialist and united position of Latin America. He said the Garcia government believes in the feasibility of the Contadora and Lima support groups. He also asked the Latin American peoples to support the Caraballeda declaration because it embodies the principles and objectives of self-determination and the people's right to seek their own destiny.

OPPOSITION LEADERS CALL FOR DIALOGUE DATE

PA132319 Panama City ACAN in Spanish 1938 GMT 13 Feb 86

[By Rolando Raul Rodriguez]

[Text] Panama, 13 Feb (ACAN-EFE) -- Nicaraguan politicians in exile today urged the Contadora Group to establish a "fixed, reasonable" date for the start of a national reconciliation dialogue in Nicaragua. The pronouncement is contained in a letter signed by opposition politicians in exile and released at a news conference called by the representative of the Nicaraguan Opposition Unity (UNO) in this capital.

The document asks the Contadora Group (Panama, Mexico, Venezuela, and Colombia), and the group supporting these peace efforts, made up of Argentina, Peru, Brazil, and Uruguay, to "demand that the Nicaraguan Government establish a fixed, reasonable date to start the national reconciliation dialogue."

To carry out the dialogue, the Nicaraguan opposition exiles are demanding the mediation of the Nicaraguan Episcopal Conference -- a demand that has already been made by the UNO, an alliance that includes the anti-Sandinist Nicaraguan Democratic Force (FDN). They also "respectfully" demand that "if the Marxist-Leninist regime of the FSLN turns down the dialogue, then the problem will be taken to the OAS, during the opening of the 17th consultation meeting of OAS foreign ministers."

However, the opposition in exile said it is "skeptical" as to the solutions the Contadora Group may offer. "Governments who are brought to power with bullets must be removed with bullets," they said.

The opposition group said it will entrust its representation to the UNO directorate leaders, Adolfo Calero Portocarrero, Arturo Cruz, and Alfonso Robelo.

The document, delivered to the peace group and dated in Costa Rica, stresses that as long as there is a civil war in Nicaragua, there will be no peace in Central America or Latin America, because, as it stated, the Sandinist government is "expansionist and terrorist."

The opposition politicians who signed the document are grouped in the Nicaraguan Opposition Coordinating Board, a small organization created in March 1985.

$250 MILLION TRADE DEFICIT REPORTED FOR 1985

PA130341 Managua EL NUEVO DIARIO in Spanish 13 Feb 86 p 5

[Excerpts] Roberto Pizarro, an official of MICE [Foreign Trade Ministry], explained on 8 February that Nicaraguan exports in 1985 amounted to only $293 million, while imports amounted to $538 million, which means there is a deficit of approximately $250 million. This confirms that the country is enduring a difficult economic situation worsened by the international economic crisis and the U.S. aggression, especially the trade embargo.

VICE PRESIDENT MEETS WITH ITALIAN COMMUNIST

FL140044 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Feb 86

[Text] Carlos Rafael Rodriguez, member of the party Politburo has met with (Renato Sangieri), member of the Secretariat of the Italian Communist Party who represented this political organization in the recent Third PCC Congress.

In the fraternal meeting, characterized by the excellent relations between the two parties, matters of common interest related to the international situation were examined.

Carlos Rafael Rodriguez and (Renato Sangieri) also discussed matters related to the ties between the Italian Communist Party and the PCC.

LAOTIAN CENTRAL COMMITTEE MEMBER HOLDS TALKS

FL130056 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Feb 86

[Text] (Khanbao Songsai), president of the Laotian-Cuban Friendship Association, met with Oscar Fernandez Mell, president of the Havana Province Assembly of the People's Government in Havana City. The Laotian leader, who is also a member of the Central Committee of the Laotian Peoples' Revolutionary Party and president of the People's Committee of Vientiane discussed his country's achievements and the Laotian peoples' efforts to conquer the difficulties met in constructing the new society. (Khanbao Songsai) was part of the delegation that attended the Third PCC Congress.

HAVANA RECORDS 81 PERCENT SUGAR PRODUCTION

FL131718 Havana Radio Reloj Network in Spanish 1502 GMT 13 Feb 86

[Excerpt] During the last working period, Havana Province sugar centers produced at 81 percent of their industrial capacities and maintained an accumulated average of 85 percent. The Havana Ministry of the Sugar Industry, Minaz, says the main cause for not fulfilling production quotas is the result of the scheduled weeding and maintanence that affected the Abraham Lincoln, Eduardo Garcia Labandero, Orlando Nodarse, Manuel Isla, Pablo Noriega, and Manuel Martinez Prieto centers.

REGIONAL PRIME MINISTERS TO MEET WITH REAGAN

FL132112 Bridgetown CANA in English 2045 GMT 13 Feb 86

[Text] St Georges, Feb 13, CANA -- Trinidad and Tobago Prime Minister George Chambers is the only Caribbean leader who has not indicated whether he would attend next Thursday's summit meeting with U.S. President Ronald Reagan, diplomatic sources said today. The sources told CANA that all the other leaders invited by Grenada's Prime Minister Herbert Blaize to the February 20 meeting have confirmed their acceptance.

The Caribbean prime ministers are expected to hold a preparatory meeting one day before the session with Reagan. The sources listed those who are coming as Prime Ministers Vere Bird of Antigua and Barbuda, John Compton of St Lucia, Dr Kennedy Simmonds of St Kitts and Nevis, James Mitchell of St Vincent and the Grenadines, Edward Seaga of Jamaica, Eugenia Charles of Dominica, and Bernard St John of Barbados.

Belize, The Bahamas, Guyana, and Montserrat -- the four other Caribbean community member-countries -- were not invited.

The talks will centre on economic and security matters. Reagan's four-hour visit comes nearly two-and-a-half years after U.S. troops staged an invasion of Grenada to topple a leftist junta that had seized power in a bloody coup.

The government has declared next Thursday a public holiday for the visit which would be the first by an American president to the island.

BAHAMAS

BATELCO COMMISSIONS INTELSAT EARTH STATION

FL121745 Bridgetown CANA in English 1715 GMT 12 Feb 86

[Text] Nassau, Feb 12, CANA -- The Bahamas Telecommunications Corporation (Batelco) has commissioned construction of a U.S. 9 million dollar Intelsat Earth station that will provide direct satellite communication between the Bahamas and other countries, including the United States, Canada, the Caribbean and Bermuda.

The station, scheduled for completion by spring of 1987, will be built by Massachusetts-based GTE International Systems Corporation, a world leader in the design and implementation of turnkey satellite communication systems.

Robert Bartlett, general manager of Batelco, said the satellite link would greatly benefit companies doing international business from the Bahamas, as well as increase the number of television channels available.

This project is in keeping with Batelco's mission to provide a complete telecommunications service consistent with the needs of the country, he added.

GTE ISC has installed similar Earth stations in the Far East, Africa, Central and South America and throughout the United States.

HAITI

GOVERNMENT REESTABLISHES ORIGINAL NATIONAL FLAG

PA131524 Paris AFP in Spanish 1411 GMT 13 Feb 86

[Excerpt] Port-au-Prince, 13 Feb (AFP) -- Today the Haitian National Government Council reestablished by decree the first flag of independence, which is blue and red, and abolished the black and red flag established by President Francois Duvalier (Papa Doc) in 1964.

The blue and red flag will be reestablished on the 18th and General Henri Namphy, president of the National Government Council, has invited all the population to celebrate the reestablishment of the flag on the 25th.

The first Haitian flag, blue and red in horizontal bands, was created in Arcahaie, 50 km north of Port-au-Prince, on 18 May 1803 in the war of independence between an army of slaves and the French expeditionary force.

NEW LEADERSHIP CALLED 'TEAM OF DUVALIERISTS'

FL131336 Bonaire Trans World Radio in English 1130 GMT 13 Feb 86

[Text] In Haiti, opposition leader Sylvio Claude charges the country's new government is in his words: a team of Duvalierists. Mr Claude says Haiti's present leadership may have been involved in human rights abuses under the regime of former President Jean-Claude Duvalier. He says the majority of the Haitian Cabinet members are Duvalierists or former Duvalier ministers and are in no position to demonstrate their integrity. Mr Claude says the country's military civilian junta should name a provisional government in 1 month with representatives of all opposition parties and he also called for the restoration of the 1950 Haitian constitution.

JOURNALIST APPOINTED GENERAL DIRECTOR OF TOURISM

FL132224 Bridgetown CANA in English 2210 GMT 13 Feb 86

[Excerpts] Port-au-Prince, Feb 13, CANA/REUTER - Haiti's new leaders remained under pressure today to dissociate themselves from deposed dictator Jean-Claude Baby Doc Duvalier as the capital returned to normal for the first time since his ouster.

All stores and manufacturing plants were open, people lined up at tax and utility offices to settle accounts, and bill collectors made their rounds at tourist hotels for the first time since Duvalier fled the country last Friday.

But beneath the calm, tension lingered. Opponents of the new government said they were determined that no-one linked to the 28-year Duvalier dynasty would serve in Lieutenant-General Henri Namphy's ruling military-civilian council and Cabinet.

Thousands of exultant Haitians demonstrated last night outside the presidential palace, chanting for the removal of ministers they accused of being Duvalierists or Tontons Macoutes, the notorious militia which kept him in power.

The new government today appointed veteran journalist Aubelin Jolicoeur as general director of tourism.

The airport remained closed today as the government moved to control the expected return of thousands of Haitians who fled the country during the Duvalier reign.

Haiti's new rulers have been criticized by exile [as received] and government sources said officials wanted to screen out militants seeking to return home.

SOME STORES, FACTORIES REOPEN 12 FEBRUARY

FL131342 Bonaire Trans World Radio in English 1130 GMT Feb 86

[Text] Some factories and stores reopened yesterday for the first time since former President Duvalier fled the country last Friday. Thousands of Haitians attended a mass demonstration in Port-au-Prince yesterday to mark the end of the Duvalier era.

ST. LUCIA

CANADA CONTRIBUTES TO AGRICULTURAL PROJECTS

FL131643 Bridgetown CANA in English 1625 GMT 13 Feb 86

[Text] Castries, Feb 12, CANA -- Canada has given St Lucia EC380,000 dollars (one EC dollar; 37 U.S. cents) for small projects under funds controlled by its High Commission to the Eastern Caribbean, an official said.

Barbados-based High Commissioner Noble Power, who is now on a visit to the country, said high priority had been given by Ottawa to the improvement of facilities for the marketing of agricultural produce in southern St Lucia.

To this end, a contribution of approximately 100,000 dollars has been approved towards the renovation of the Vieux Fort market in the south of the island.

A contribution of 49,000 dollars has also been approved for the St Lucia association of farmers' cooperatives which will enable this group to continue its programme geared towards the improvement of livestock and increased pork production throughout the island.

HOYTE ANNOUNCES PLANS TO 'REINVIGORATE' ECONOMY

FL132250 Bridgetown CANA in English 2156 GMT 13 Feb 86

[Text] Georgetown, Feb 13, CANA -- Guyana, under new President Desmond Hoyte, has launched frest initiatives to breathe new life into its long-rundown economy. With the petroleum sector chosen as the launching pad for their efforts the government has dispatched a mission to states and Europe to feel out the international response to the possibility of joint ventures in this field. [sentence as received]

Hoyte says prospects in the petroleum sector here appear "quite promising". "We have been doing much systematic technical work within recent years," the president told Parliament this month. The resulting seismic and other data, he said, had thrown up "attractive possibilities". He said the missions mandate was to meet with leading international oil companies, "with a view to interesting them in helping to develop our hydro-carbon resources".

Guyana uses about U.S. 100 million dollars a year in imported oil -- all of it from neighbouring Trinidad and Tobago. Unfortunately with Guyana's export earnings failing to match its consumption patterns, Georgetown has run up a near half billion dollar (TT) oil bill with Port of Spain, whose demand now for cash payment in U.S. dollars for future supplies has triggered fuel rationing here.

Official sources say as many as 150 oil companies, including big names like Texaco, Occidental and British Petroleum, have expressed an interest in Guyana's petroleum resources in the past.

Government has long contended there are vast oil and other mineral reserves in the country's sprawling Essequibo area being claimed by neighbouring Venezuela. It has never been clear, however, just how vast are those resources.

The dispatch of the oil mission dovetailed with another Guyana Government team which has been touring the Caribbean Community (Caricom) with a similar.message to investors. Come join us in developing our natural resources for mutual benefit.

The two missions reflect what is being seen here and in the region as a shift to the right by Hoyte, who took over Guyana's leadership last August on the death of the more-socialist Forbes Burnham. Hoyte, according to one of his Caricom colleagues can be expected to deemphasise the leftist rhetoric prevalent in the near 20-year rule of his predecessor.

At the February 4 ceremonial opening of Parliament after December 9 general elections, Hoyte made it clear that his main priority will be to move this financially-strapped 83,000 square mile republic out of the economic doldrums. It will be the single-minded objective of the government to infuse dynamism into the economy by doing everything requisite and necessary to reinvigorate the public, private, and cooperative sectors and to give positive encouragement also to individual initiative, the president declared.

Government has already begun wide-ranging consultations with the private sector as well as with the labour movement here, with a view to creating a suitable environment to "bolster the confidence of our business community and to expand economic activity".

To back all this up, the administration has promised a review of the impact of the existing tax regime on the profitability of businesses and a streamlining of the procedures for gaining fiscal and other incentives.

There are also plans to initiate from this year, in collaboration with the commercial and manufacturing sectors, a system of national awards for businesses which achieve a high level of performance in accordance with certain set criteria. According to Hoyte, "All government ministries, financial institutions and other public agencies... have been directed to treat the objective of reviving the economy as an absolute priority."

Guyana, with bauxite, sugar and rice as its chief hard currency earners, has suffered remarkable economic decline since the beginning of this decade. Official figures reflect a 20 per cent decline in real output between 1981 and 1983. The Inter-American Development Bank estimates that between 1981 and 1984, some 25,000 public sector workers here lost their jobs, as government sought to come to grips with the problem.

According to the World Bank, with the economic crisis here, it could take up to 1990 for Guyana to reach production and income levels of the early 1970's. The key mining sector has, however, shown significant improvements in the last 18 months. Official figures for 1985 are not yet in, but bauxite production rose from 1.1 million tonnes in 1983 to 1.6 million tonnes in 1984 and was expected to reach 2.2 million tonnes last year.

Hoyte says his administration's economic development push will also see emphasis on agriculture, fisheries, forestry, manufacturing, and mining.

The government has promised "appropriate policy measures" to generate new or renewed activity in these areas, including fiscal incentives, improved marketing arrangements, and more efficient supportive facilities.

To underline the importance of agriculture in the new thrust, Hoyte has announced plans to table in Parliament soon, government's agricultural plan 1986-89. This, he said, would be accompanied by a policy paper on the question of providing agricultural land for the landless.

In the economic revitalisation programme, government's myriad public corporations have been urged to become more sef-supporting. Hoyte told Parliament: While it is a prime objective to quicken the pace of growth and expansion of our economy, government must, in the final analysis, have due regard to the absolute necessity for fiscal prudence. In this regard, the reduction of the public sector deficit and its containment within manageable limits will be a constant preoccupation and a national priority. Consequently public corporations will have to achieve an acceptable level of business performance and their deficits will have to be controlled as a matter of course.

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LEADERS PRESENT 2D PHASE OF AUSTRAL PLAN

Alfonsin Speech

PY070042 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 7 Feb 86

[Speech by President Raul Alfonsin broadcast over the domestic radio and television network introducing the second phase of the Austral economic plan, from Olivos presidential residence in Buenos Aires; date not given -- recorded]

[Text] The moment I share with you tonight is at the same time difficult and auspicious. Auspicious because it is the time to announce a new phase in the instrumentation of the economic reform plan that began 7 months ago. The success of that phase has now opened the possibility to give the plan more depth in the direction of growth and modernization.

But it is also difficult because we must take this important economic step in a political scene suddenly strained by behavior and language which seems to represent regression on the path which Argentina has taken toward an authentic democratic system.

The first sign of that regression was observed on 14 June 1985 when we launched a plan which the people then labeled the Austral Plan. But that regression was overcome by a very important massive popular support, which backed the implementation of this plan that really transformed the economic field.

We were being accused of being pro-imperialists and agents of dependency, and having even surrendered to the IMF, but the Argentine people disregarded those accusations to join the efforts for a reform plan aimed primarily at defeating the devastating inflationary spiral. As you remember, inflation at that time was around 40 percent a month. What would be the situation of the country now had the people acted on the ideas of so many fortunetellers? If the Argentine people did not make any efforts, if the Argentine people did not have any confidence, inflation by now would have eaten up all the savings of the community and would have continued to encourage capital flight and all kinds of speculation. It would have continued making salaries a short-lived illusion, disintegrating the basis of private enterprise and deviating creative energy toward speculative struggle. It would have continued demoralizing the Argentine people by preventing them from thinking about the future and obstructing the possiblity of growth. But we are now going to recover growth, which is already the main debate in Argentina because we all have to understand that no private or public investment program can be designed, and much less implemented, with soaring inflation. Therefore, any effort would be useless, any effort would not be enough. The ethical principles between honest work and daily deception would gradually fade.

Therefore, our achievements and the struggle against inflation constitute the first great structural change we have made -- not only we the government but all of us Argentines -- which means among other things nothing but the victory of honesty over dishonesty, of the future over the past. Any other reform, any new step forward, will only succeed if it is made in the framework of a stability we have won with everyone's effort.

Turning our backs on the well-known, anachronistic arsenal of accusing slogans, we, people and government, knew what we were doing. We had to rescue the Argentines' productive ability, which had been muffled in previous years by a policy that had detoured the economic energies of the country toward the road of speculation.

We knew better. We knew that in our effort to overcome the systematic corruption, it was not only a matter of returning to the economic structures and practices of the past -- which in some way had been the sources of later distortions -- but on the contrary, it was a matter of decidedly taking up the challenge of updating the structures and procedures in a transforming world that is dramatically changing its production systems.

In its first stage, the Austral plan was more successful than we and everyone else expected. It has returned order to our national economic life based on a stable currency and an inflation rate that was reduced from 40 percent monthly to 2 or 3 percent monthly. What Argentine would have dreamed in January 1985 that by December he would have before him this panorama? Who would have thought that within a year the insane obsession for keeping up with the interest rates, for running to buy dollars or for depositing agonizing pesos in fixed-term accounts as soon as one received his salary, would end?

All this would have been impossible without the Argentine people being aware of the deep sense of their effort. All this would have been impossible if all those charges and accusations disinterred from the old Argnetina had been heeded by the millions of men and women, who in the last 7 months cooperated with their confidence and maturity in this collective task. All this would have been impossible if the efforts had succeeded to undermine our self-confidence with fossilized slogans.

We Argentines are dedicated to a great effort. It is not just a matter of overcoming the crisis. It is a matter of getting ready for an even greater challenge with our effort, with the dedication of all, with our recovered national ambition. We are at a historical crossroads and we are choosing the only road possible, the road to placing Argentina on the threshold of the 21st century, beyond the year 2000, as the actors, not as back-row spectators -- as I have repeatedly said -- of the actions of great hegemonic powers.

It is not a matter of merely overcoming the economic crisis for which long years of authoritarianism and lack of moral standards are to blame. The challenge ahead of us, the challenge everyone is becoming enthusiastic about, is to build a modern Argentina, to shut the door once and for all on failure, stagnation, mirages, and allegedly effortless accomplishments.

I believe we can all agree that no Argentine is feeling tempted by easy solutions. No one is interested any more in magic formulas capable of swiftly steering us without any effort at all along the path toward well being, which we legitimately aspire to. We have been hurt too much to believe that the Argnetina we want for our children, the Argentina that we are already building, will come to us through longing for the past, and after alleged gains that have no place in the world of the future, with privileges that were, in the final analysis, responsible for our downfall.

Argentines nowadays are enthusiastic about a new country and we know that we will not achieve it through worn-out procedures and still less through slogans or nice-sounding phrases. We must climb a steep slope and it is natural, it is only human, for us to have moments of doubt, brief setbacks and even to be tempted to discontinue our efforts. I can understand this passing discouragement because it helps us realize the full scope of the challenge we have picked up.

However those who shortsightedly believe that their negative preaching can be based on these passing moments of doubt are wrong and they are working against the will and the courage of all Argentines. This democratic government will continue speaking the truth. Let others use, if they want to, the dialects of deceit. We are prepared to pay the political price that may be necessary, fully convinced that no price is too high when the future of the nation and the explicitly stated popular will is at stake. Let others choose the course based on shortcuts, sowing doubts and undermining faith. We are not afraid of criticism: we welcome it. We do not avoid dialogue just as we do not avoid the exchange of ideas. We want it because we know that truth emerges from this exchange. In the final analysis, we know that popular consensus, the basis of our government, will be achieved and because we know that the national unity we are working for requires the cooperation of everyone.

Criticism and demands that enhance democracy, however, cannot be used to sow unease, to foster despair. The government wants criticism, it is eager to hear responsible proposals and options. However, it will continue denouncing those who, disguised as alleged critics, seek to demoralize the millions who set daily examples for the leaders. It is our duty to do so. Those who do not trust the courage and the will of the Argentines will be left behind.

Today the Austral Plan will move into the first phase of its second stage. The economy minister will give you the details later.

Our objective now is to turn stability into growth, to open paths based on a strong currency, industrial development, the acquisition of technology, the expansion of the agricultural and livestock sector, and conquests in international markets.

This phase cannot be promoted by any means other than that used for the first phase, that is, through you. Today we are, as we were in June 1985, faced with the alternative of failure or success, which merely represents the alternative between continuity and the shattering of that unwavering popular will that has been the heart of everything we have done so far.

I reiterate once again: Everything we have done has been the result of the joint effort. Success has been achieved through the effort made by everyone, but especially by the low-income sectors; by those who have less, who during these past months have shown a courage and patriotism which has become, from my point of view, a true credit among society. Society is indebted to the lower-income sectors in Argentina and we should all be aware that as economic difficulties disappear we should turn to these sectors to give an increasingly effective response to the problems related to the search for social justice.

Today, as in July 1985, the Argnetine people and government are sick of hearing the same thing. Moreover, we know by heart what we are going to be told. The entrenched rightist sectors accuse us of not relinquishing state control and of various forms of interfering in the country's economy. The entrenched leftist sectors might accuse us of denationalizing the country's economy, while the well-known demagogues use one or the other argument, and the skeptic sectors will undoubtedly insist that the objectives we have announced are not feasible.

In the face of these circumstances, I believe we must get to the bottom of things. We have said that pluralism is the base over which democracy is built. Pluralism means acknowledging others and the capability to accept differences and disagreements as the condition for the existence of a free society. Democracy rejects uniformity. However, democracy likewise demands the necessary capability to carry out collective tasks. However the responsible exercise of differences and oppositions demands nonetheless a basic consensus among all social sectors.

Not everything should be a struggle, not everything should be opposition. We must seek common denominators. It is particularly the responsibility of the political parties to promote the will for democratization in society: that is to say, the legitimacy of dissent, the acceptance of the basic rules of social coexistence, the respect for differences, the will for participation, and the consolidation of ideas of integration and solidarity, expressed through an attitude of cooperation, which always opposes agressive and offensive behavior and selfish individualism.

This is the challenge now. Every one of you should realize that the government tries at all times to live up to the magnitude of the enterprises. I do not know if there are in Argentine history events showing a similar dedication to integration. The government, which has been legitimized three times by popular elections, has not hesitated, however, to call on politicians of different political parties, who, endowed with patriotism, are willing to enrich the democratic process with their support.

Despite this, many sectors advocate the vicious struggle that leads to a fight of everyone against everyone, and actions are carried out in front of the government as if it were not a government of democracy but as if it were a dictatorship. They went so far as to promote opposition fronts, which took a long time to materialize during this process.

To do this a basic accusation is made: the alleged insensibility of the government for not unilaterally suspending the payment of the debt. Let us be clear about this. They are demanding from us, of all things, a measure that no government in the world, either capitalist or socialist, has ever adopted. We are reproached for our resistance to becoming some kind of an extravagant world exception to a rule that for obvious reasons cannot be violated.

What is the argument upon which this demand is based? You have all heard it. It is said that if we do not use the surplus of our foreign trade for servicing the debt we can use it to promote the growth of the country, to finance social programs, etc, etc. But if we unilaterally suspend the payments that service the debt, this measure will be of no help to promote the country's growth because this growth depends on our relations with the world and not with Argentina alone. If we break with the international system on which our income depends, our income will decrease considerably. There could be no possible increase. If we break our international commitments we will no longer be, sooner or later, within the framework of foreign trade, which is where we obtain our resources.

Therefore, this is really an absurd position. Just think now that a general strike was declared here based on that faulty argument which no government in the world has so far recognized. Also, an agitation campaign of the type only understandable in the struggle against a dictatorship has been carried out against the Argentine Government. A democratic government can only be treated in this manner in a country where the leadership has still not learned the substantial lessons of a democratic culture.

What would happen if the philosophy of certain leaders could turn the minds of the people? What would have happened if that philosophy, which was already evident in June 1985 when we launched the Austral plan, had affected the behavior of the population? We would probably have 40-percent inflation today and still be enduring our frustrations of running daily to the different currency exchange offices. The results would be the same if the shouts we hear nowadays undermined, in this new stage of the Austral plan, the people's confidence, which was the support of the first stage. However, we know that this will not happen.

We all know that we, as much as our Latin American brothers and the developing world in general, are suffering the consequences of an unfair international economic order. The downfall of the price of our exports, the irrational amount of our debts, and the high interest rates actually constitute an unsustainable world situation, which is a consequence of the selfishness of the industrialized countries, which do not hesitate to threaten universal peace by reducing to poverty and stagnation the less developed countries through the application of protectionist policies, of ever-growing interest payments, and of high interest rates.

Our reply to this, regarding Latin America, has been the Cartagena Consensus, and regarding the world, the declaration of the Group of the 24. Our proposals are known by the Argentines. In turn, you know that our proposals were accepted by the rest of the countries. This has been demonstrated by the lowering of the interest rates, which had reached historic levels and which were 1 or 2 points above inflation; by the increase of resources from the multilateral credit organizations; and by the elimination of the hateful discriminations we suffered in the foreign trade field.

Among all of us we achieved something that seemed impossible. Growth is easier now. Let's maintain the clear national ambition of growth. We must not conform ourselves and we must likewise reject magic solutions. There are no magical solutions. We will achieve everything, but everything will be achieved with effort.

We must operate within an extremely difficult international status quo but we do have an advantage: we are respected. We are respected because we are serious, because our international policy is based on the same guidelines that apply to our actions inside our own country; because we make no differences between foreign and domestic moral standards. Furthermore, we must work within the framework of a highly complex domestic situation, but here too we have a key advantage: we have you, we can count on our people.

We Argentines are a restless people, open to new things and change. Our country is the result of inventiveness and creativity. These virtues are the best of our cultural tradition. They are as necessary today as they were in the past when vast empty lands had to be turned into an environment for personal accomplishment for future generations.

We are talking about changes and reforms and we do so in the assurance that these are the words that Argentines prefer to hear today. We Argentines do not resign ourselves to letting the future slip through our fingers while we cling to old models and old conflicts that have often paralyzed the country's will to create and grow. This will to create and to grow is today more alive than ever and we will take advantage of it to respond to the challenges of our days. Thank you.

Sourrouille Address

PY072052 Buenos Aires Domestic Service in Spanish 0032 GMT 7 Feb 86

[National address by Economy Minister Juan Sourrouille broadcast over the domestic radio and television network announcing the second phase of the Austral Economic Plan, from Olivos Presidential Residence in Buenos Aires; date not given -- recorded]

[Excerpts] Good evening. Tonight I would like to speak to the Argentine people in the name of the national government, to confirm the objectives of the economic reform plan that began on 14 June 1985, and to announce in general terms the initiatives which will give a new impulse to the project of growth with stability.

I am going to address three issues: what we have done, how to consolidate what we have done, and how to strengthen such efforts in the future. Only 7 months ago the government called on the people to support a priority project both in the economic and political fields: an all-out struggle against the violent inflationary process within the framework of equal burden-equal benefits.

The support given by the population and the administration of the economic policies has allowed us to attain results which until only recently seemed difficult to imagine. For 10 years the Argentine people did not have what they now enjoy: the opportunity to value the peace and tranquillity which monthly inflation rates of 2 to 3 percent allow.

We are living in the midst of the most profound crisis that Argentina has experienced in recent years, and there are times when the burdens of our just dissatisfactions have made us lose perspective. This is why it is necessary to stop and consider what was left behind.

In making a general summary, it should be pointed out that according to the National Statistics and Census Institute, the real salary level in December 1985, whichever system is used to measure it, was higher than the annual average registered in the last 10 years with the exception of 1975 and 1984, 2 years which were followed with high inflation.

So far, the overall result of the economic reform plan allows us to say that there are very few cases in which a program has achieved so many positive results in such a short time and with such low social costs. We believe that this fact cannot be questioned. The mistakes that could have been made cannot be used to discredit a clearly favorable balance achieved through the solidarity of the Argentine people.

However, by talking about the economic activity, employment, and salaries we do not pretend to diminish the negative aspects of the current situation. We could not do that. By drastically curbing inflation the economic reform plan has brought to the surface the scope of a recession that was developing.

We can now say that the present level of stability has a firm basis. While in 1984 the deficit of the public nonfinancial sector was 12 percent of the GDP, at the beginning of 1985 it was reduced to 5.5 percent, and in the second half of 1985 it was only 2.4 percent. It is worth pointing out that the financing of the deficit was covered with existing state resources.

In this manner, the national government honored its word not to resort to the issuance of currency. We cannot fail to mention that this deficit includes the interests of the foreign debt which equals 5 percent of the GDP. If these interest rates are excluded from the fiscal expenditures, it can be said that the public sector has achieved, for the first time in many years, an operating surplus during the second half of 1985. This gives a complete picture of the great adjustments made in the public accounts.

By getting the fiscal deficit under control, inflation was stopped. This inflation was eroding daily the value of money and affecting the low income sectors. The result of this decision did not only provide the state with genuine resources, but brought other results. The transfer of the foreign debt, contracted by the private sector to the state during the military government, forced the government to take over the payments of those interests. This situation introduced a new restriction in public finance because the transfer was not accompanied with new resources. This is why there was an issuance of currency to meet those commitments.

The monetary policy that was implemented on 14 June resulted in a notable increase in the demand for currency, current accounts, and time deposits. This increase was undoubtedly the result of the credibility that this program generated among the people through the decrease of inflation. The result was that the monetary supply grew at a rate substantially higher than that of prices, without pressuring the property and currency markets.

This process, which is usually called the monetization of the economy, is still far from the historic levels that Argentina has previously achieved, but it must also be noted that the circumstances that prevailed were also quite different. We had never had such a high inflation rate as that experienced in June 1985 nor had currency sunk to such a degree of discredit among the people.

Unlike what happened a few years ago, the present monetization process is mainly based on the substantial increase of cash in personal bank deposits and current accounts and not in time deposits. These private accounts increased by an average of 120 percent in real terms, from June to January, which shows that the people have gained their trust in their currency.

Moreover, this monetization process also resulted in an increase in credits in the private sector in the last few months. This increase was not only in real terms, but also at a pace slightly higher than the average loan rate. In fact, between June and September 1985, credit in Austral to the private sector increased by 45 percent in real terms.

Today we must be more alert than ever because there are sectors that daily demand salary increases without caring about the effect that these increases will have on the general stability of the economy. The risks of experiencing a galloping inflation rate that were so obvious 7 months ago are being carefully covered up by those who have a lot to gain with its return, and thus predispose public opinion to disregard the results of the efforts that have been made.

It is true that there are salaries and prices that must be readjusted, but the challenge lies in resolving these situations by achieving stable prices instead of resolving present problems through the enforcement of exaggerated adjustments and the slackening of fiscal and monetary discipline. This will only create the atmosphere for a new increase in inflation.

Although there are some who deny it or ignore it, in today's Argentina the alternative of achieving economic growth with stability is inflation with recession. The national government is aware of this and will firmly uphold its commitment to the people, who are the only ones who are truly responsible for the progress that has been achieved. This commitment is implemented in the 1986 budget that is being submitted to the honorable National Congress.

The deficit estimated for 1986 is just 2.9 percent of the GDP, that is, almost half of that of 1985. It will be financed through foreign credit and without resorting to the issuance of new currency. Certainly, these are very demanding objectives, but this is the way it must be in view of the prevailing situation. The country has to make a great effort to rebuild its economy and the national government must help achieve this goal by an austere and efficient handling of its finances.

For the third consecutive year, total expenditures have been reduced. This year they have been reduced by 1.6 percent of the GDP which represents approximately 1 billion australs. This reduction was achieved despite the 0.5 percent increase in capital expenses by decreasing current expenses by 2.1 percent of the GDP. The allocation of public resources is in keeping with the government policy of making a fair distribution of efforts in all national sectors and with its plans to promote a true economic recovery.

As in 1984 and 1985, the government has increased allocations for social works, while major funds have been allocated to the promotion of the industrial and mining sectors, the increase of imports and the fertilizers program.

The expansion of exports and investments is within the framework of an industrial policy that seeks to harmonize economic growth with stability; present demands with future needs; promote capitalization and technological modernization with the recovery of regional economies and the promotion of medium-and small-sized undertakings. It is on these guidelines that the national government plans to promote economic growth through mechanisms combining fiscal and credit incentives with the promotion of the industrial sector.

We are in a position to announce the launching of special export programs. The objective of these programs is to increase the exports of production, export, and trade companies, trade consortiums, and small-and medium-sized companies. The national government will sign agreements that will establish export programs with minimum growth of $2 million per year for a period of no less than 2 years. The benefits to be granted encompass a fiscal credit of up to 15 percent of the FOB value of those exports that have been committed and an additional fiscal credit of up to 5 percent when this entails the opening or the recovery of markets and the corresponding refinancing program offered by the Central Bank.

These benefits will be subjected to a set of regulations that will give priority to those programs that present the best balance of currencies and greatest profits resulting from the income derived from exports and the program's fiscal and financial expenditures. The implementation of these special export programs will, in 1986, allow us to achieve an increase in industrial exports totaling $500 million.

To meet requirements in the industrial area we have adopted a group of initiatives. They are: a credit line aimed at financing the purchase of capital assets produced nationally. The amount of this financing will cover between 50 and 80 percent of the purchase price and the amount of the credits cannot surpass 500,000 australs; a credit line for small-size companies to facilitate both the purchase of capital assets manufactured in the country and the financing of its working capital. The maximum amount of each credit will total 150,000 australs for the purchase of capital assets and 50,000 australs for working capital; a credit line within the framework of the pre-financing export plan with specific amounts for regional products and for small-and medium-sized companies; a credit line for small-and medium-sized companies aimed at supporting programs that have the endorsement of scientific-technological research organizations recognized in the country or which began in these organizations.

The financial resources involved in these credits are compatible with the government's fiscal and monetary policies and they total about 400 million australs to be managed through the National Development Bank. The housing policy will play a major role in the reactivation of the economy. Sixty-five thousand housing units are under construction and we will begin building at least 85,000 new units this year.

The public sector will make a great based on three factors: First, the Fonavi [National Housing Fund] will have larger funds, because contributions are now larger and because evasion has been reduced; second, the average cost of each unit will drop from 15,000 australs in 1985 to 10,000 australs in 1986, third, a 160 million-austral foreign credit will be available to build new units.

The private sector will be further promoted by new financial mechanisms, by the consequent expedient sale of the new housing units, and by the completion of the units that are now under construction. Under this program, which the housing secretary has already announced, some 10,000 units will be put up for sale. Seventy percent of the price of each unit will be financed over a period of up to 15 years. In addition, a savings and loan system will be established in keeping with the various income brackets.

These measures will significantly promote a sector that has been badly affected by a serious crisis over the past few years, and will meet an imperative social demand. However, only if we are able to grow with stability, a target we can attain through the initiatives we have put forward for 1986, will we be able to successfully cope with the problems our country is now experiencing, like unemployment, salaries, and production.

In this regard, we must speak clearly and reject the illusion of a temporary reactivation, which would only increase the imbalances, inflation, and unemployment. The governments that yielded to sectorial pressure promoted the economy at any cost. They increased public spending and the issuance of currency and had to adopt drastic stabilization policies after a short period. Thus the cure was worse than the disease.

The transfer of state-run companies to the public sector has two objectives: to restructure the public sector and to reorganize the industrial sector in which those companies operate, in order to increase efficiency and productivity. To facilitate the attainment of these objectives, the government will help new company owners to obtain foreign financing. In addition, World Bank support will be available.

The funds received in payment for the transferred companies will be used to create a fund for industrial development and modernization. This fund will be primarily allocated to those projects that will reduce the cost of production of inputs, to the purchase of capital goods, to the acquisition of technology, to the promotion of sophisticated industries, and to the development of industries with strong regional impact. Thus, the transfer of state-run companies to the private sector will be another tool for promoting growth. Therefore, the objective of this major decision is not merely to sell assets to finance current expenditures, but to promote investment in sectors that are important for our future.

The consolidation of the achievements under our policy of growth with stability does not depend on our efforts or our successful choices alone. Argentina, like other Latin American and developing countries, can be affected by events beyond its control. The low prices paid for our exports and the high interest rates burdening the loans that were contracted without any restraint are beyond our control. However, we do have to suffer the consequences. We must recall though, that such consequences are the result of some measures adopted by the governments of some industrialized nations, which have been unable to cope with the situation, unlike debtor countries, which have done so with many fewer resources.

Protectionism, subsidies, fiscal imbalance, and high interest rates are the main traits of an international situation which we consider unfeasible and unsustainable. We once again reiterate that the solution will come through a political dialogue between the industrialized and the developing countries, aimed at creating a new world economic system without inflation, with growth, stable prices, and low interest rate. The Latin American countries that signed the Cartagena Consensus and all the developing countries -- represented by the so-called Group of 24, which Argentina will have the honor to head this year -- have long posed this demand. This preaching seems to have had some partial success. In fact, we have seen a political initiative regarding the debt problem, which admits that the formulas of the past have failed and that it is imperative to grow.

OPPOSITION, ALLIED POLITICIANS RESPOND TO PLAN

Communists Denounce Plan

PY111949 Buenos Aires CLARIN in Spanish 9 Feb 86 p 20

[Open letter from Argentine Communist Party Central Committee -- paid advertisement]

[Text] The speeches of President Alfonsin and his Economy Minister forecast hard times for the workers and the people. Without hearing the people's claims, we are on the way of the second round of the "Austral Plan." This is going to happen despite the 24 January national stoppage, which was a clear mandate against the "Austral Plan" and its submissive policy to the IMF.

The government contends that the curbing of inflation proves the success of their plan. What is not told, however, is that the plan's success has been achieved at the expense of greater hunger, unemployment, and misery for the workers; of the bankruptcy of small and medium-sized businesses; and of the hardship of the industrious peasants. What is not told is that inflation, which was curbed under these conditions, still undermines the only thing that really remains frozen -- wages. [Former Economy Minister] Martinez de Hoz also curbed inflation at the same price.

Far from altering it, the measures announced by the government reinforce this submissive situation, of which the main objective is to pay the foreign debt and further concentrate economic power with those who benefit from the plan, namely the oligarchy and the local and foreign monopolies. On 14 June when the "Austral Plan" was launched, stirring false expectations, we predicted this single, inevitable outcome. The facts have borne out our predictions. Now we are warning that the pompous "first phase of the plan's second stage" consists of paying the debt with our internal trade surplus, the salary and work of the Argentines, and the surrender of our soil, as well as the profitable state iron and steel works and petrochemical industries. What will come next?

No former administration, not even [former Argentine President Arturo] Frondize dared to do so much. We must prevent this privatization plan through the workers and people's struggle, as the widespread defense movement of the Argentine Iron and Steel Joint Association, [Somisa], which wishes to retain its nationalized status, is doing.

For many years it has been said that public companies are inefficient, and that they lose money because they are not motivated like private ones. This campaign is sponsored by the same sectors and people that have sabotaged the public companies, emptied hundreds of other companies, caused the flight of capital abroad, and benefited from state subsidies and financial speculation, thus generating the unpayable foreign debt. They are the same people who, through the Baker plan, World Bank, and government credits, will take over the public companies: an indivisible part of our national sovereignty. The debt will increase and a poorer country will have to keep paying. During the 2 years of this administration the foreign debt has grown from $46 billion to $52 billion.

All this is being done in name of modernization! What is so modern about applying theories of [Deputy Alvaro] Alsogaray and company? Since when are submission and dedication anything new? The new thing in this world is the progress of the national liberation projects and not the submission of our country to Yankee imperialism or the "industrial tycoons," disregarding the platform of the ruling Radical Party and its electoral promises.

Efforts are being made to show a nonexistent contrast between the so-called supporters of modernization and those who by opposing the direction taken by the government are considered advocates of backwardness. Nothing could be more false. No real progress or modernization will be achieved without a stable democracy if we do not break from dependency.

We warned at the appropriate time that a swing to the right in the economic sector would eventually lead to a swing to the right in the political sector. The repression of the demonstrations against David Rockefeller, the impunity of the "Guglielminettis" [referring to a police detective charged with committing excesses during struggle against subversion]; the promotions of [Captain Leopoldo] Cao and [Major Jose] Granada [officers charged by the government for their involvement in actions aimed at destabilizing the democratic government and the disruption of public order], Alfonsin's McCarthy-style Villa Regina speech and the provocations by the intelligence services that have been reported by the CGT [General Confederation of Labor] clear evidence of this.

In addition, we now have this demagogic, authoritarian, and threatening message which is an insult to the opposition, to the people's demands, and particularly to the workers movement and their struggle. But what is even more offensive is that they are speculating with the logical fear that people have of returning to past experiences, and that they intend to change the slogan "No More Coup D'Etats" that has been raised by our people and make it become "No more struggle, No more demands, No more strikes." This is why it is necessary to take a strong action in defense of public freedoms.

Those of us who struggle to change this nefarious economic policy, and to promote one aimed at achieving a more equable economic policy, bread and work and a moratorium on the foreign debt, are not the ones who pose a threat to democracy. It is those allies from whom Alfonsin seeks his support. It is this antinational and antipopular economic plan that they insist on implementing. They are trying to disqualify the people's demand for a moratorium on the foreign debt by resorting to empty phrases and false arguments. It is false that no country has ever resorted to this alternative. Beginning with the United States and the United Kingdom, there are many examples.

It is also false that if a moratorium is declared our trade will collapse, because we trade mainly with Latin American, socialist and Third World countries. Moreover, trade with creditors -- usurers -- particularly the United States, has been always detrimental to Argentina since they always impose unfavorable terms. The truth is that with its obedient and punctual payment, the government is not measuring up to other Latin American countries, like Peru, for example.

In his zealous effort to discredit everything, the president insists that the opposition has no proposals to make. But the Argentine Communist Party, the People's Front, the CGT and many other social and political groups have similar proposals based on the declaration of a moratorium on the payment of principal and interests of the foreign debt and on the enforcement of a new international economic order.

The National Unity Congress, which has been called by the CGT, and which we wholeheartedly support, may result in a vast mobilization plan with an alternative to the Austral plan. This alternative plan is to be based on the 26 points issued by the CGT, which has vast popular support. Therefore, the workers and people's struggles may be coordinated into a powerful patriotic movement that will try to enforce a moratorium and implement a great change in the government's economic policy.

The different struggles that took place in January 1986 showed that there are different proposals and that there is enough strength to achieve them. It showed the power of the People's Front and its capacity to promote a patriotic alternative.

It is not fatal for Argentina to be a trading post. Through unity and struggle, we shall be able to make it into an independent and prosperous nation. This is the true defense of democracy, which is inseparable from the people's participation, from social justice and categorically opposed to imperialism and oligarchy, which are responsible for and the beneficiaries of all the coups d'etat that have taken place throughout Argentine history. Facts show that there is either freedom or dependency; that there will be no just salary, work, development, or complete democracy if there is no stop to monopolies and oligarchy. The starting point is to declare a moratorium on the foreign debt. Either you support the people's actions against the IMF or you support the IMF's actions against the people.

Buenos Aires, 7 Feb 1986

Central Committee of the Argentine Communist Party.

Other Parties, Unions Reply

PY081209 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Feb 86

[Text] The speeches that president Raul Alfonsin and Economy Minister Juan Sourrouille delivered on 6 February have awakened different reactions.

National Radical Deputy Cesar Jaroslawskiy has said that the speech by Alfonsin was simply extraordinary, because he addressed the people in clear and realistic language. As for the speech by Sourrouille, Jaroslowskiy said that it was spectacular and that it showed that we are heading for a new, developed Argentina.

Eduardo Setti, economy secretary of the National Justicialist Council, has said that the speech by the economy minister has not changed anything and that history will pass judgment on him. Justicialist Deputy Antonio Caffiero has said that the presidential speech reflects a sharp, groundless, and unfair prejudice against the opposition.

Intransigent Party Deputy Oscar Alende has said that he is categorically against transferring the General Mosconi Petrochemical Company to the private sector, which was announced last night because this company has made good profits, has replaced imports, and has made profitable sales abroad.

Rolando Prieto, president of the Argentine Chamber of Industry, said that the government has put forth a very interesting proposal, although it is necessary to know the details to make a proper appraisal.

Intransigent leader Nestor Vicente said that the speech by the president was upsetting because it revealed intolerance toward the opposition.

Democratic Center Union [UCD] Deputy Alvaro Alsogaray said the speeches stressed what the UCD has always advocated, that is, to increase the level of exports and investment.

Justicialist Deputy Roberto Digon said he agreed with some of the measures announced yesterday, like the aggressive campaign to boost exports.

Miguel Candone, secretary general of the Union of Civilian Public Servants, has said that the proposal to sell the profitable companies to the private sector is an affront, and that instead of reducing the size of the public sector, the state must become more efficient.

Socialist Confederation Secretary General Oscar Palmeiro has said that the presidential speech was very discouraging because the president insisted on a confrontation with the CGT [General Confederation of Labor], which only wants to defend the rights of workers.

Eduardo de Zabalia, the head of the rural society, supported Sourrouille's and Alfonsin's proposals to maintain a policy of stability. However, he deplored the fact that the agriculture and livestock sectors are considered areas of secondary importance.

Radical Deputy Jesus Rodriquez said this morning that there is no disagreement over the privatization of state-run companies within the government. Company assets will not be sold for financing public sector salaries but for creating an industrial development and modernization fund that will aim at developing Argentine technology in line with our economic and strategic goals, he said. He added that this decision is substantially different from past proposals. As for the critical remarks that various political sectors have made against the government, Rodriquez said that some parties are acting as if we were still living under an authoritarian regime.

DEFENSE MINISTER DISCUSSES PROTECTION OF SOVEREIGNTY

PY151443 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Feb 86

[Excerpts] A few hours ago the National Security Council called attention to what has been repeatedly reported by civic institutions as foreign penetration in certain regions. Such reports have often been made and, in addition, we now have the statements made by Defense Minister Luis Fernando Valle:

[Begin recording] It has already been reported that the government has taken the necessary measures to verify the penetration of Brazilian citizens into the northwest of the country, mainly at the Madera and Madre de Dios Rivers and in the region known as Araras. A report has been written, and it has been clearly proven that there is a peaceful penetration of Brazilians and citizens of other nationalities who dedicate themselves to seeking gold.

The National Security Council has published a report that brings out three basic aspects: First, that clearly there is a penetration by Brazilian citizens in the exploitation of gold-bearing sands in the region of Madera and Madre de Dios Rivers. Second, that those foreign citizens enter our territory mostly by night in that region to (?exploit) our natural wealth. Third, we have made the basic observation that it is of fundamental importance for us to take measures to safeguard national security, such as establishing settlements at the open borders and establishing military posts there. In the third place [as heard], it is indispendsable for the Bolivian Navy to be provided with the necessary means for patrolling and for defending our sovereignty. [end recording]

It has also been suggested that the Armed Forces National Development Corporation and the Mining Corporation of Bolivia together with the Bolivian private sector install gold mining centers, which will also be landmarks of national sovereignty, Minister Valle added.

BARTHELEMY DENIES TERRORIST MEETING HELD

PY142151 La Paz Cadena Panamericana in Spanish 1700 GMT 14 Feb 86

[Text] The interior minister has noted that the security services under the control of the Interior Ministry are in control of the national situation and that therefore, they believe that for the time being it is not feasible for irregular armed groups to be in the country.

Interior Minister Fernando Barthelemy explained some contradictory reports that resulted from recent statements issued by Interior Ministry Under Secretary Guido Meruvia and himself.

[Begin recording] I believe that what basically happened is that there was a leak to the press. Well, I cannot really say precisely what happened. Yesterday, I noted what we learned a few days ago, that the whole issue concerned the holding of a meeting of extremist groups having terrorist or (?Trotskyist) learnings somewhere in the country, perhaps Santa Cruz or somewhere in the southern region, perhaps in the city of [name indistinct].

We were really investigating the veracity of these reports. We are able to inform the public opinion that this meeting did not take place, probably because the extremists learned that we knew about this meeting or perhaps because the reports were false. What is obvious is that the meeting did not take place, but that there were plans to hold it. [end recording]

Barthelemy added that perhaps Interior Ministry Under Secretary Guido Meruvia made a mistake when giving information about this meeting. However, Barthelemy noted that it is not ruled out that international extremist groups are planning to meet in Bolivia in the near future.

[Begin recording] No, this has not been ruled out. According to reports there is a plan to hold such a meeting. We believe that Bolivia has been chosen for this meeting because it is believed that Bolivia lacks the necessary resources and possibilities to detect these groups. However, I believe this is wrong. We have an information system that is operating perfectly well. We have an intelligence community that coordinates its actions among the Armed Forces, the Interior Ministry, and the Bolivian police which will be able to detect actions of this sort. [end recording]

Interior Minister Berthelemy made this statement this morning at Government House.

UNITED STATES TO PARTICIPATE IN JOINT MANEUVERS

PY142026 La Paz EL DIARIO in Spanish 31 Jan 86 p 3

[Excerpt] Bolivia and the United States will conduct joint maneuvers in Cochabamba Department and in part of eastern Bolivia at the end of March. This announcement was made by Armed Forces commander in chief General Raul Lopez Leyton, who talked with one of our reporters. Gen Leyton explained that the details of the maneuvers were arranged during the visit that General John Galvin, chief of the U.S. Southern Command, paid to Bolivia.

The Bolivian commander said that during a meeting he held with Gen Galvin they exchanged ideas on how to strengthen the ties of friendship joining the U.S. and the Bolivian Armed Forces.

Concerning the assistance that the Bolivian Armed Forces have received, Gen Lopez Leyton said that the two nations have signed bilateral agreements and that aid comes through the Military Aid Program, the Foreign Military Sales, and the International Military Education and Training, which are three types of cooperation programs sponsored by the United States. He said that under these programs, which were carefully analyzed, Bolivian officers receive training at the School of the Americas in the areas of radio, communications, etc.

Gen Leyton added that the joint maneuvers and the organization of the staffs were thoroughly discussed during the visit of the U.S. officer. The Army, the Navy, and the Air Force will participate in the maneuvers.

For his part, Defense Minister Dr Luis Fernando Valle has said that during Gen Galvin's visit a decision was made to regularly stage joint maneuvers to allow the Bolivian officers to apply in our own territory what they have learned with modern military equipment.

SARNEY REFUTES ABREU SODRE ON COMPUTER POLICY

PY142049 Paris AFP in Spanish 2217 GMT 13 Feb 86

[Text] Brasilia, 13 Feb (AFP) -- Less than 24 hours before the swearing-in ceremony, President Jose Sarney today refuted a statement made by Roberto Costa de Abreu Sodre, the future foreign minister, who had referred to the law closing the Brazilian computer market. Abreu Sodre said on 12 February that the law might be changed to give a chance to the large multinational companies, which have no access to the Brazilian computer market. Sodre said that Brazil can preserve its independence without harming the countries that want to promote their exports. The FRG, the United States,and Japan are the three countries which have most strongly pressured Brazil to open its computer market.

The presidency today issued a communique which, without mentioning Sodre, warns that Sarney will not, under any circumstances, change the computer market closure law. The communique adds that the computer market policy, now implemented by the Sarney administration, was voted on and approved by Congress, where then Senator Jose Sarney supported it. This policy takes national interests into account and will be neither changed nor made more flexible, the communique concludes. Sodre, who is scheduled to replace foreign minister Olavo Setubal on 14 February, has been strongly criticized by JORNAL DO BRASIL, an influential newspaper.

SARNEY INSTALLS NEW CABINET MINISTERS

PY141340 [Editorial Report] Brasilia Domestic Service in Portuguese at 1100 GMT on 14 February begins live coverage, from Planalto Palace in Brasilia, of the swearing-in ceremony of the new ministerial Cabinet. President Jose Sarney presides over the ceremony and makes a 9-minute impromptu speech at the end of the swearing-in ceremony. The ceremony begins with the reading of the names of the following ministers:

Minister of Foreign Relations	Roberto Costa de Abreu Sodre
Minister of Transport	Jose Reinaldo Carneiro Tavares
Minister of Agriculture	Iris Resende Machado
Minister of Education	Jorge Konder Bornhausen
Minister of Health	Roberto Santos
Minister of Industry and Commerce	Jose Hugo Castelo Branco
Minister of Welfare and Social Security	Rafael de Almeyda Magalhaes
Minister of Culture	Celso Monteiro Furtado
Minister of Urban Development	Deni Schwatz
Civil Household Chief	Marco Antonio de Oliveira Maciel
Minister of Irrigation	Vicente Fialho
Legal Adviser of the Republic	Jose Paulo Pereira Ramos

At the end of the swearing-in ceremony, President Jose Sarney addresses the new ministers and thanks the outgoing ministers for their service to the nation. He recalls Tancredo Neves' agony and the ceremony he had to preside over on assuming the presidency. He says that "the new ministerial Cabinet is a continuation of the new republic. It is not the president's ministry, but the ministers must be loyal to the president."

President Sarney goes on to say that his only objective is to serve the country and the people. He states: "In his famous blood, sweat, and tears speech, Churchill began with the word "work": work, blood, sweat, and tears. Work is the key to our unity, and the basis of our objectives. We are going to continue with our social programs, with the projects that are necessary for progress. We are going to continue improving the economy, maintaining development, saying "no" to recession, to unemployment, and to the decentralization and denationalization of our industries. [sentence as heard] We are going to fight against corruption, and we will make sacrifices for the poor and the oppressed to rebuild Brazil."

ABREU SODRE ON CARTAGENA, CUBA RELATIONS

PY171811 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 17 Feb 86

[Text] The Brazilian Foreign Ministry may issue a statement today on reports that Brazilian citizens have invaded Bolivian territory in search of gold, rubber, and chestnuts. Since 16 February Itamaraty has been informed of irregularities in this respect, but owing to the Cabinet shuffle, it has postponed its reply to a Bolivian Government complaint on this subject. Late last week, Foreign Minister Abreu Sodre held successive meetings with Itamaraty Secretary General Paulo Tarso to discuss the Foreign Ministry's schedule of activities. Abreu Sodre, who takes charge of Itamaraty today, hopes to promote an internal shuffle. He noted, however, that his team will be made up of basically the same aides who worked for outgoing Minister Olavo Setubal, although holding different posts.

Abreu Sodre stated that he will emphasize a good neighbor policy with all Latin American countries so that Latin America may speak with a single voice to the rest of the world. In his opinion, only a united Latin America can hold a sound dialogue with the developed countries. Thus, he said, he will seek to strengthen the Brazilian backing of the Consensus of Cartagena, which is made up of 11 Latin American countries seeking a political solution to their foreign debt problem. Abreau Sodre said Brazil will not change its current policy on the Central American crisis. Regarding resumption of ties with Cuba, he said the subject is under study and that further negotiations will be necessary at various levels before a final decision is made. On 26 February, Abreu Sodre will attend a meeting of ministers of the Cartagena Consensus in Punta del Este. He will go to Uruguay again on 6 March, this time to attend a meeting of the Group of 24, which is seeking to formulate a unified trade policy.

OPPOSITION, GOVERNMENT LEADERS DENOUNCE TERRORISM

Historic Socialists Declaration

PY160008 Santiago LA TERCERA DE LA HORA in Spanish 6 Feb 86 p 6

[Text] Juan Gutierrez, secretary general of the Historic Socialist Party, yesterday disclosed a declaration by his party emphatically repudiating terrorism. The declaration states as follows:

"The political commission of the Historic Socialist Party has learned about several terrorist actions known to the public. Also, regarding information about the illegal arrival of weapons, guerrilla fights in the south, etc., we would like to state the following.

"1. We repudiate the terrorist action that took place today, Wednesday 5 February, at 0830, at the intersection of Eyzaguirre and Santa Rosa Streets. We express sympathy for the wounded persons and their relatives.

"2. Once again we continue our effort to stop all those who excite the people and promote an open encounter as a solution to the current Chilean problems. We believe that what is now needed is understanding on the part of our rulers and generosity from us, the opposition.

"3. Once again we make an appeal to isolate terrorism, which is an enemy of democracy and an ally of oppression.

"4. Our definition coincides with the aspirations of the majority of Chileans. We seek democracy and freedom, and this will be possible if the importance of popular sovereignty that our society deserves is recognized.

"5. In the next few days our party will deliver a letter to all the Chilean political parties requesting a broad consensus against terrorism. We will also request that the church play an active role in discouraging the different forms of terrorism."

UDI Issues Statement

PY160259 Santiago LA TERCERA DE LA HORA in Spanish 7 Feb 86 p 4

[Text] The Independent Democratic Union [UDI] yesterday denounced that Marxism has intensified its terrorist campaign against the slums in order to hinder the consolidation of some sectors that wish an orderly and fair democracy for our country. UDI slum leaders yesterday released a public declaration after an attack against a UDI slum leader. The declaration is signed by UDI President Santiago Acosta and Vice President Alfredo Galdames and states:

"Yesterday at 0130 terrorists attacked the home of Rene Lopez Baeza, president of the UDI Vivaceta neighborhood committee, with explosives. The attack resulted in damage but no injuries were reported. In view of this despicable aggression, against one of the most important UDI leaders, the UDI slum department leadership wishes to express the following:

"1. The UDI has repeatedly denounced the systematic campaign of intimidation by the Marxist organizations and other opposition groups against those who have the courage to defend the principles and values of freedom against communist totalitarianism.

"2. In this sense the public must understand that if UDI leaders or members are found among the victims of terrorism, it is because the UDI is the only anti-Marxist movement that has the most complete and efficient shantytown organization, and because it is the only movement that is on the way to becoming a real danger to the slums that were historically ruled with hegemony by Marxism.

"3. This is why we denounce these violent actions that demonstrate the strategy of the opposition for the slums. We wish to reiterate our firm decision not to be frightened by these terrorist actions and we will not desist from our commitment to defend all the slum dwellers that are now victims of Marxist abuse.

"4. Finally we want to point out that Rene Lopez and his family are examples of courage and patriotism. We also wish to make an appeal to all the anti-Marxist slum dwellers of the country who wish to stop the enemies of freedom from imposing an atmosphere of anarchy and chaos, and to help us overcome our problems and promote a great slum movement that will unite all the political sectors that wish to live in a free country with order, justice and well-being."

Radical Democrat on PCCh Plans

PY141916 Santiago EL MERCURIO in Spanish 7 Feb 86 p C 3

[Excerpt] Radical Democratic President Jaime Tormo yesterday condemned the political strategy reportedly approved by a Communist Party [PCCh] plenum held in January. As reported to the public, during the plenum it was decided to harden the line of violence advocated by the PCCh. Tormo said that "this confirms what has been stated by the Christian Democrats, that no talks can be held with the PCCh because it is an organization that has been endorsing violence and, as we have already stated, follows directives from abroad and not the wishes of Chileans."

Tormo remarked that "the public knows that the PCCh has reasserted its political line, hardening it. What is serious about this is that it is virtually encouraging subversion, not only civilian but military subversion." Tormo added, however, that "we Chileans may rest assured that the government will not permit a small group belonging to an international party to succeed. They will be left alone with their nefarious wishes."

Javier Cuadra on Communism

PY142137 Santiago EL MERCURIO in Spanish 12 Feb 86 p C 3

[Excerpts] Minister Secretary General of Government Francisco Javier Cuadra yesterday urged citizens to reject the violence of extremist groups and indicated that sectors that claim to be democratic must be able to distinguish between Chile's true interests and the actions of groups led from abroad whose aim is to disrupt public and constitutional order.

The secretary general of government made this statement when he lashed out at extremism, which took its latest toll when noncommissioned officer Luis Rival Valdes died from injuries received when a Carabinero bus was attacked last week. Javier Cuadra added that "this should make us start thinking about the need to reject the violence of extremist groups through actions as well as words."

He said: "If all or most of the citizens adopted a decisive attitude rejecting violence, many problems could be resolved better because we could say with assurance that there is an obvious consensus on the matter. The Government's policy in this regard has been very straightforward and in keeping with the Constitution. It categorically rejects violent means, not only for political reasons, but also because of more considerations."

Javier Cuadra said "many sectors do not reject violence categorically. Many of them talk a great deal against violence, but when human lives are at stake, neither rhetoric or dialectics are enough. Thus, the important thing is that this rejection should be present in concrete policies that are being implemented, the speeches that are made, the arguments used and the instructions issued to the many groups and persons over which these sectors have political control."

When told that at its latest national congress the Communist Party reaffirmed its belief in the violent approach, Cuadra said that "there is nothing new in the resolution of the Communist Party. All the main problems that have to do with political coexistence in Chile began when the Communist Party and Marxist ideology in general appeared on the national scene."

He indicated that "the number of members the party may have is not important. What is important is the fact that the communist ideology upholds a violent concept of man, society and history and advocates violence changes that we civilized men could implement to improve the standards of living." Cuadra added that "communists have resorted to pretexts in order to set up totalitarian and inhuman dictatorships in all the societies over which they have gained control since the Russian revolution."

When asked for an opinion about the Popular Democratic Movement's offer to the democratic alliance to carry out joint actions, Cuadra said that "it is up to the so-called Democratic Alliance to answer this question. The government only hopes that for everyone's sake these people that claim to be democrats will be able to distinguish between Chile's true interests and the posturing of certain groups orchestrated from abroad that have no interest in Chile's well-being."

POLITICIANS RESPOND TO REMARKS BY MIR'S ALLENDE

Avanzada, Christian Left Cited

PY142037 Santiago Domestic Service in Spanish 1630 GMT 14 Feb 86

[Text] Political sectors have criticized the statements that MIR [Movement of the Revolutionary Left] Pascal Allende made in Managua. Among other things, he said that this year the people's movement will enter the final stage of the struggle the Chilean Government. Avanzada Nacional leader (Patricio Vildozola) has said that Allende has once again advocated subversion in Chile through underground organizations, despite the fact that both he and his relative [Salvador Allende] have destroyed the country. He added that Chile is following the course of reactivation and that the government has been able to succeed despite the international crisis.

Christian Left coordinator (Luis Maira) said he does not agree with Pascal Allende regarding the relationship between the people's mobilization and the armed struggle, which Allende regards as two sides of the same process.

Maira warned that it is not good to choose a path for solving the Chilean situation without properly assessing our country's history and social development. He said the solution will not come through an armed confrontation, but through the social and popular organizations demanding the restoration of democracy through mass opposition and civil disobedience. Finally, Christian Democratic Party Vice President Jose Ruiz di Giorgio stressed that throughout their history, the Chilean people have always resorted to peaceful methods.

MDP President Comments

PY142122 Santiago Radio Chilena 1630 GMT 14 Feb 86

[Excerpts] Popular Democratic Movement [MDP] President German Correa has said that the statements made in Managua by Andres Pascal Allende, a leader of the Movement of the Revolutionary Left [MIR], do not represent the MDP's position.

[Begin Correa recording] No, they do not represent our position. Andres Pascal Allende is the leader of a political organization, while the MDP is a movement formed from a consensus among the political forces that are part of it. Therefore, the opinions of the MDP are only expressed by the MDP national leaders residing in Chile.

BRIEFS

ECONOMIC GROWTH STATISTICS -- The University of Chile's Economy and Business Administration Department has issued a report stating that the gross domestic product [GDP] grew by 1.9 percent in the second half of 1985, adding that it expects growth of between 3 and 5 percent this year. The report also says that the national unemployment rate reached 13.8 percent in the second half of 1985, which is less than the 15.9 percent for the same period in 1984. [Summary] [Santiago Domestic Service in Spanish 1000 GMT 10 Feb 86 PY]

BALANCE OF TRADE SURPLUS -- The Chilean Central Bank has reported that the balance of trade registered a $759-million surplus in 1985. [Summary] [Santiago Domestic Service in Spanish 1630 GMT 14 Feb 86 PY]

TIMBER EXPORTS -- Chilean Wood Corporation has reported that this sector exported $382.7 million in 1984, which makes it the second most important currency earner for Chile. [Excerpt] [Santiago Domestic Service in Spanish 1630 GMT 13 Feb 86 PY]

ARMS, SUPPLIES FOR GUERRILLAS SEIZED BY NAVY

PA140401 Paris AFP in Spanish 0322 GMT 14 Feb 86

[Text] Bogota, 13 Feb (AFP) -- A cargo of weapons and supplies, presumably sent for the guerrillas, was seized by the Colombian Navy after it intercepted a ship on the Pacific Ocean, it was officially reported here today. A total of nine crew members of the Colombian motorboat Iris including its captain, Ito Rengifo, were detained during the operation.

The ship had documents saying it had departed from Merizalde Port, in Narino Department, 900 km from Bogota, but it actually came from Panama, National Navy spokesmen reported.

A considerable amount of contraband was found on board, as well as 22 9mm machine guns, 126 clips for the machine guns, 68 boxes with accessories for cleaning the weapons, and other military materiel.

According to the initial investigations, the weapons were to be delivered to the Ricardo Franco Front, a dissident group of the Revolutionary Armed Forces of the Colombia (FARC), which principally operates in Cauca Department, in southwestern Colombia.

GUERRILLAS DOWN ARMY COPTER IN SANTANDER

PA162317 Madrid EFE in Spanish 1937 GMT 16 Feb 86

[Text] Barrancabermeja, Colombia, 16 Feb (EFE) -- A Colombian Army helicopter was downed today by guerrillas in Barrancabermeja, Santander Department, in the northern part of the country, where more than 4,000 peasants from various towns have gathered to protest the presence of the military.

Official sources, who did not disclose the name of the group that attacked the helicopter, said that the helicopter was patrolling the area and crashed when it was shot at, but the crew was not injured.

The incident took place in Cuatrobocas near the oil installations in the central Magdalena area, where for the past 5 days residents have been leaving because they are opposed to the presence of the troops search for insurgent columns.

Peasants from various towns in the central Magdalena region have taken up temporary residence at the Presidency's People's Integration Office [Oficina de Integracion Popular de la Presidencia] in Barrancabermeja, and have accused the military men guarding the zone from attacks by the Revolutionary Armed Forces of Colombia (FARC) of "harrassing" them.

The Anglo-Dutch transnational "Shell" last year reported that the FARC's 14th front was demanding payment of 100 million pesos (approximately $600,000), in exchange for the security of the installations and employees in Yondo, located less than 150 km away.

A military spokesman said that the Army has deployed armored tanks and vehicles equipped with artillery to the city to prevent fights between the residents of towns along the Magdalena River and the refugees, while the authorities have warned that there is a food shortage and that an epidemic could break out at the refugee camps.

PRESIDENT SAYS UNIVERSITIES TRAIN GUERRILLAS

PA162030 Madrid EFE in Spanish 0421 GMT 16 Feb 86

[By Roberto Aguilar Andrade]

[Text] Loja, 15 Feb (EFE) -- The tense, constantly deteriorating situation between the university and the Ecuadoran state became evident in a speech given by President Leon Febres Cordero in Loja (650 km south of Quito).

On Friday, Febres Cordero harshly criticized the Ecuadoran university, directly accusing it of "training guerrillas and subversives." At the same time, he made an economic contribution to Loja's private technical university where, he said, "fortunately, politics have not entered, and God forbid that they ever enter."

The president said that Ecuadoran universities do not prepare good professionals but subversives and guerrillas, and the Ecuadoran people are taught "with the blood of the Ecuadoran people to kill their brothers."

"That cannot be called a center of higher education," he continued, "but hell. It is unpatriotic. It is going against the country's top heritage, its youth."

While the president was making these remards in Loja, students of Ecuador's Central University were demonstrating in Quito. The protests were sparked by the killing of a university student by the police in front of the School of Administration a few days ago.

According to eyewitnesses, the student threw water at a police vehicle, prompting the rage of one of its occupants. The policeman got out of the car and fired at the youth, killing him instantly.

Student groups gathered near the camput in the morning, building barricades on the streets and burning tires, demanding the culprits of this bloody incident be punished. The students also placed a wreath at the site where the student was killed.

Police Commissioner Patricio Vasconez already started the penal process against the policeman responsible for the incident, but all information in this regard has been withheld.

However, it was reported that the authorities have asked the commissioner to dismiss the penal process because Jose Manuel Pasquel, the defendant, has special privileges because the incident occurred while he was on duty.

Student organizations as well as university officials, headed by Rector Jose Moncada, have openly and publicly stated, on various occasions, their opposition to the regime headed by Febres Cordero.

MINISTER ON OIL SHIPMENT SUSPENSION, POLICIES

PA131913 Quito Voz de los Andes in Spanish 1130 GMT 13 Feb 86

[Excerpt] Mines and Energy Minister Javier Expinosa Teran yesterday asserted that his ministy is pursuing a policy of flexibility during the current price debacle in order to safeguard the markets of Ecuadoran crudes.

Espinosa indicated that Ecuador has ordered a 1-week suspension of its oil shipments, which will be resumed on Saturday. The measure falls within the context of the defense of the oil price, which, he admitted, has fallen to $13.50 per barrel on the spot market.

Espinosa noted that Ecuador will not negotiate its oil on the spot market but will, instead, continue its policy of signing long-term contracts. (?However), the minister expressed (?cautious) optimism over the development of the situation and cited statements by Kuwait that an agreement among producers within and outside of OPEC would be based on a reduction in Britain's production by 350,000 barrels a day, or 10 percent of its capacity. Espinosa said that negotiations are currently under way to secure Brazil as a new buyer of Ecuadoran oil and to increase the current sales to Puerto Rico, which entail 12,000 barrels a day.

As a result of the slump in oil prices, the week began with unprecedented levels in the quotation of the dollar, which yesterday closed at 139.75 sucres on the free exchange market.

OPPOSITION GROUPS RALLY IN ASUNCION PLAZA

Government 'Sabotage'

PY150040 Paris AFP in Spanish GMT 14 Feb 86

[Text] Asuncion, 14 Feb (AFP) -- The Febrerista Revolutionary Party (PRF), a member of the opposition, tonight announced that the rally which is scheduled to be held at a plaza downtown is being sabotaged by the government, which cordoned off the area with police forces to keep the public from attending. In a statement to AFP, the PRF Secretary General Nils Candia Gini estimated at 2,000 the number of heavily armed police who intercepted traffic for three blocks around the Plaza Italia where the rally is to take place. Leaders of the Popular Colorado Movement (Mopoco), which is a dissident group of the progovernment Colorado Party, the Christian Democratic Party, the Authentic Radical Liberal Party (PLRA), and the Febrerista Revolutionary Party will speak at the rally. Of these four parties, only the PRF is legally recognized by the government. This week, the organizers had estimated an attendance at about 15,000 people -- quite high for Asuncion -- for this rally, provided the regime's political police did not intervene.

PRF, Mopoco, PLRA Leaders Speak

PY172218 Asuncion ULTIMA HORA in Spanish 15 Feb 86 p 10

[Excerpt] Last night, in Asuncion's Plaza Italia, under the slogan: "In favor of a total democratization of the country," the Febrerista Revolutionary Party [PRF] celebrated the 50th anniversary of its Liberation Revolution. The National Accord has fully supported this commemoration with the participation of many of its members. Delegations from the Argentine Radical Civic Union, Intrasigent Party, Christian Democracy, Popular Socialist Party, and the Dominican Revolutionary Party were also present.

The ceremony started with the singing of the national anthem followed by the party songs of the National Accord member parties. Afterward, PRF General Secretary Nils Candia Gini spoke. He recalled the history of his party and then said: "There are still some small black clouds hanging over Latin America, which is making a great effort for its democratization. Without doubt, democratic winds are blowing and nearly covering the whole of Latin America. A short time ago, far from our country, in Haiti, another strongman abandoned his people and went into exile, leaving his long-suffering people in freedom."

Waldino Ramon Lovera, president of the Colorado Popular Movement [Mopoco], and acting president of the National Accord, spoke after Candia. In his speech Lovera described how the National Accord is developing in Paraguay. "Even now, we are systematically followed by the police. We cannot move without being followed by many motorcycles," he said. "Some time ago, Lovera recalled, a foreign politician discussing our situation said: The Mopoco members remain semi-prisoners, under surveillance, in their oun country," and added: "This cannot continue." "They believe that they will intimidate us by following and beating us, but the Mopoco is not afraid. The Mopoco is resisting and will resist all the blows from the regime because Mopoco is made up by courageous and calm men," he said.

The president of the Authentic Radical Liberal Party [PLRA] Miguel Angel Martinez Yaryes also spoke during the ceremony. He recalled the creation of the National Accord, "which was formed by overlooking several party, ideological, and even personal barriers because we have a common and necessary objective: the democratization of Paraguay..." and he added that "we are the only legitimate heirs of the great Liberal Party, not those who claim this falsely as collaborators to officialism."

Alfredo Rojas Leon, president of the Christian Democracy, also delivered a speech in favor of democracy: "With democracy we will not have a state administration full of opportunistic and unscrupulous individuals who are only interested in becoming rich in exchange for their unconditional support of the regime, without caring whether the people are led to dangerous limits of misery."

PRF, Farm Leaders on Economy

PY152232 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 15 Feb 86

[Text] Last night, a large number of people answered the Febrerista Revolutionary Party [PRF] call for a meeting in Plaza Italia. The political event took place without any notable incidents. PRF President Fernando Vera delivered a speech in which he dwelled at length on the country's economy.

[Begin Vera recording in progress] [applause]...and knows very well that the inflation which the regime imposes on all the Paraguayan people is the way by which the masses, and particularly the peasant masses, are most heavily exploited. [applause, shouts of "true"]

You know about this exploitation, but perhaps you do not fully realize how the exchange rate policy, for example, exploits the rural producer. The exchange rate policy annually steals approximately 200 billion guaranies from the producers of staple products. [shouts and applause] On top of this robbery of some 200 billion guaranies, because of the subsidized dollars which the Central Bank hands over to the government for servicing public works and for state imports, there is a money issuance of 45 billion guaranies per year, which is an inflationary injection. Perhaps you say that this does not concern you. Of course it concerns you, because it causes inflation, general price increases and an increase in the family budget. [end recording]

In a passage of his speech, Dr Fernando Vera stated that the farm producer is being exploited, and gave a number of figures:

[Begin Vera recording] The government offers to continue the same policy it has followed, the so-called policy of monetary or exchange rate stability, the greatest myth that has been created for purposes of political propaganda. Monetary stability has never existed, not even in the period of the Itaipu economic boom, and it exists still less now under the inflationary conditions in which the economy is developing. [end recording]

In conclusion, and still dealing with his economic analysis of the real situation of the nation, Vera spoke about the foreign currency evasion and other problems, which he called a direct robbery of public funds. The rostrum was also occupied by representatives of other parties which joined the rally, as well as foreign politicians who had been especially invited.

[Begin Vera recording] There are the cases of the Retirement and Pension Fund, the case of the Property Tax Fund, and the case of the Workers Bank. These are notorious examples of how public funds have been stolen. On top of that we have the great scandal of foreign currency evasion. It is a case of large-scale looting which has not only undermined the financial stability of the country's balance of payments, but has also destroyed faith as well as the trust in and credibility of the country's financial institutions. For the Central Bank itself to be so rotten as to permit such a looting of the state... [applause] [end recording]

Marcelino Corazon Medina, president of the Coordination Committee of Rural Producers, then said the following:

[Begin Medina recording, in Guarani] It is you who should speak up, not Corazon Medina but you, the people. In our hearts we are feeling the torture we are subjected to, the stomach rumbling with the hunger we must endure, the lack of shelter for our families. [shouts and applause] The Paraguayan people, mainly the peasant class, suffer and know how to suffer, but we have been silent for a long time and we have endured tyranny for a long time. The time has now come when a drop of water will make our patience overflow, companeros. [shouts and applause] [end recording]

When the rally was over, those present dispersed in an orderly fashion.

Youth Representatives Noted

PY152308 Paris AFP in Spanish 1516 GMT 15 Feb 86

[Excerpt] Asuncion, 15 Feb (AFP) -- The rally that the opponents of General Alfredo Stroessner's regime staged at the Plaza Italia last night showed that there is a gradual growth in the number of followers of the National Accord, which advocates boycotting elections, despite the fact that its leaders are subject to constant repression, according to diplomatic observers who attended the rally. One such diplomatic representative told AFP that he had been surprised by the number of people present despite the fact that this year there were more security forces than ever, and that they even cut off traffic for several blocks around the square and maintained a threatening attitude that surely dissuaded many people from going on to the square.

The novelty of this year's opposition rally, at which Stroessner once again was asked to step down, was the participation of the youth, whose representatives lashed out at the shallowness of certain speakers and asked them to shut up and let the youth speak instead. According to some opposition members despite the fact that in Paraguay 54 percent of the population is less than 20 years old, the youth has had its rise blocked off by gerontocratic leaderships made up of people over sixty years of age.

Certain youth representatives practically compelled the organizers to allow them to take the podium, and their speeches had more effect than those of several representatives of the opposition coalition that organized the rally. Two of these youths urged their cohorts to forsake the fear in which they are immersed and demand respect for their rights. Let us forget about speeches and do something. Let us take to the streets and go to Government House to protest about the way things are, one of them said, awakening great enthusiasm among the crowd.

GARCIA FEELS 'PRESSURE' FROM FOREIGN CREDITORS

PY171744 Lima Television Peruana in Spanish 0000 GMT 17 Feb 86

[Excerpts] President Alan Garcia said today that Peru will soon suffer economic restrictions and sanctions as a result of the impatience of the international creditors that want to be paid immediately so they can solve their own problems. President Garcia was talking to the press in the districts of Leticia and Villa Fatima when he made his statement. He said that the IMF can decide not to let anyone loan us a single penny. He added: I really feel that this is a test that a country has to go through if it wants to become truly independent.

[Begin recording] [Unidentified reporter] What is your opinion of the Peruvian position in the international community?

[Garcia] The Peruvian position is very solid but with some problems, because we are under pressure from international creditors. Naturally, measures and sanctions could be implemented as a result of pressure and impatience. Considering the fact that the Latin American debt as a whole has been dealth with in terms that I believe are unjust -- with high interest rates -- and for projects that were not the most appropriate, as the president of Peru it is my duty to limit the payments.

I understand the position of the banks and of the representatives of the most important countries that want to be paid immediately so they can solve their own problems. I understand their position, and I know that at some time restrictions and sanctions are going to be imposed on Peru. I want the Peruvian people to know this because we made a decision, and the people must become aware of what this decision means. It is not just a matter of boasting about this issue in a speech. It is a matter of being conscious of where a decision of this kind can lead us, where a temporary danger can lead us. A foreign bank can embargo some Peruvian products. This is possible. The IMF can decide not to let anyone loan us a single penny. I believe that this is a test that a country must go through if it wants to become truly independent.

If we agreed that the development we have achieved was not the best, if we agreed that the foreign debt was not appropriately dealt with, if we want to pay it only in accordance with our possibilities in order to allocate more resources for development, if we want to do all this, we must also face the dangers. When I asked the people to become aware of the need for sacrifices and self-denial to come out ahead, I said so knowing that the decisions we made could result in problems. However, the problems could have been worse had we not made those decisions.

[Reporter] [Words indistinct] that we have 60 days to pay all the debt to the IMF. Has the government thought of paying some of that debt by 14 April when the debt is due?

[Garcia] We are following the general guidelines approved by Peru. Our exports total approximately $3 billion. This figure could drop because the prices of fuel, silver, and copper are declining. The people who run the world economy are lowering the prices of products, and therefore the overall prices of Peruvian exports could drop; instead of being $3 billion, they could drop to $2 billion. As a result of this situation, our payments will also drop. This is the Peruvian position:

You pay me so much for my work, and I am willing to pay you so much for the debt. Within that limit we will naturally be able to pay some of the debt to the institutions we owe.

[Reporter] What is your opinion as a democrat of the political situation prevailing in the Philippines, which is a country linked to Latin America?

[Garcia] Look, I cannot interfere in matters of internal policies, but I feel that there was blatant fraud. I feel that Marcos should go home. He has done enough to leave. No one can remain in power 20 years. It is absurd to say that there is democracy when a man has reelected himself of the last 20 years by using his power, and now he has been reelected again for another 6 years. No one believes there is democracy in the Philippines. As the president of Peru, I should not say this but considering the fact that the elections were shamelessly stolen from Mrs Aquino, as a politician and as a citizen of the world, I have no choice other than to say that it was blatant fraud and that the nations of the world should help the people of the Philippines achieve democracy.

The same thing happened in Haiti. We are pleased and joyful to finally see Haiti free from the tyrant Duvaliers, who trafficked in human blood. The Peruvian Government will support anything related to the progress of people toward self-determination and freedom. Although I should not formally say anything on this matter, I have the obligation to express what I want for all the people of the world and what I want for my people, that is: justice, freedom, and democracy. [end recording]

GARCIA PROPOSES ANDEAN RESERVE FUND TO REPLACE IMF

PY172057 Madrid EFE in Spanish 2314 GMT 15 Feb 86

[By Marisol Marin]

[Excerpt] Lima, 15 Feb (EFE) -- Peruvian President Alan Garcia today lamented the fact that no steps are being taken toward a meeting by Latin American presidents in Panama, because it is our "inescapable obligation and responsibility" to jointly confront the debt problem.

During a press conference held for foreign correspondents, Garcia said that this is a matter of principle and that each country must make its own decision. "The day that five or six countries decided to act jointly will be the day that marks the end of the IMF," he stressed.

He added that an indebted country, particularly if heavily indebted, "has the power to change the rules of the game." Garcia proposed an Andean reserve fund as a Latin American alternative to the IMF.

"The day Argentina or Brazil join the Andean reserve fund, the operational capacity of such an organization will surpass that of the IMF," he remarked.

The Peruvian president added that during the first 6 months of his administration, Peru has not alloted more than 10 percent of its export income to meet its foreign debt obligations. He said the Peruvian export income will decrease because of the oil price slump.

For the Peruvian president, the loss caused by the oil price slump -- which some experts believe will go as high as $200 million -- "is another reason for restricting our payments on our external obligations."

Some $700 million of the approximately $14-billion Peruvian foreign debt is owed to the IMF, which recently warned the American Popular Revolutionary Alliance [APRA] government that new credits may be restricted it Peru does not meet overdue obligations for $75 million.

The IMF has set 14 April 1986 as the deadline for Peru to meet these obligations. However, Garcia did not say whether this deadline will be met. "I will announce that on 13 April," he replied.

"If the IMF says we are ineligible for new credits, this does not mean the World Bank will say the same thing," he said.

NORMAL DIPLOMATIC TIES WITH HAITI TO CONTINUE

PY151728 Lima EL COMERCIO in Spanish 10 Feb 86 p A 4

[Text] Peru will continue to maintain normal diplomatic ties with Haiti, the Foreign Ministry announced after the resignation of Haitian dictator Jean Claude Duvalier.

Meanwhile, regarding the Haitian situation, Foreign Minister Allan Wagner Tizon emphasized that Duvalier's downfall confirms that "for-life regimes cannot exist because they contradict the people's democratic expression."

Wagner said that for this reason it is possible that the developments in Haiti will open a new era of genuine democracy in that country, reflecting a pluralist and popular participation to define the destiny of that Caribbean nation and setting a course toward the Haitian people's self-determination.

Allan Wagner stated that, in accordance with the principles of international law, Peru will cooperate to strengthen peace and democracy in the Republic of Haiti. The Foreign Minister made these statements before leaving for the United States.

In addition, the Peruvian Foreign Ministry revealed in Lima that no Peruvian Foreign Ministry revealed in Lima that no Peruvian citized residing in Haiti has been affected by Duvalier's downfall of by the developments that preceded of followed it.

PRESIDENT LUSINCHI COMMENTS ON ECONOMIC ISSUES

PA152256 Caracas Television Service in Spanish 0000 GMT 15 Feb 86

[Text] The Venezuelan Government has succeeded in obtaining a 3-year grace period in the capital amortization payments of the foreign debt, and recognition that each payment shall be closely related to the situation in the oil market, so that Venezuela may adjust its conduct accordingly.

The above was expressed by the president of the Republic, Dr Jaime Lusinchi, during his visit to the Braulio Salazar Museum of Culture, in the capital of Carabobo State. Following is a recorded report by Berta Gomez, from Valencia:

[Begin recorded report] At 1110 today, President Jaime Lusinchi, accompanied by the minister of transport and communications and the minister of finance, arrived at the Henry Ford Aeroclub of Valencia. From there, the presidential motorcade headed for the new Braulio Salazar Museum of Culture, which will be inaugurated very soon.

After touring the museum, which was shown by Carabobo Governor Oscar Celli Gerbasi, the president of the Republic met with reporters. He first commented on a postponement of debt payments for 1985 and 1986 recently granted to Venezuela by international banks.

As for statements made by the National Economy Council that the bolivar is being devaluated, Dr Jaime Lusinchi said that it would not be prudent to discuss currency problems at this time.

The discovery of the largest oil field in the history of national oil industry, 30 km from Maturin, was another topic touched on by the president. Regarding that, he said that PVDSA [Venezuelan Petroleum, Inc.] has consistently furthered exploration projects and development of the industry, which shows that there is interest in developing the oil industry as much as possible.

[Begin Lusinchi recording] In this way, we can achieve a long-time aspiration of Venezuelans, which is the integral and vertical development of their industry. In fact, two projects are under way, through which important fields of light oil were discovered in Monagas. We have already identified heavy oil fields in the Orinoco oil belt. Important gas fields have also been discovered, and we are making progress in the exploration of the Arauca area, which will be exploited soon. [end recording]

As for the Museum of Culture, President Lusinchi said that the Carabobo governorship will open this cultural center to all popular expressions.

Finally, President Lusinchi said that the main realistic objective of the current meeting of Andean Pact countries in Caraballeda is to seek solutions to the economic problems of each member country through the construction of their own markets.

[Begin Lusinchi recording] The issue of integration is not only a need for us Venezuelans, but it is in the best interest of our country, Andean area countries, and Latin America in general. We are capable of solving our own problems if we develop our own markets, because we have already seen that the great powers are too selfish. [end recording]

After visiting the Museum of Culture, the president of the Republic headed for the athenaeum to tour its facilities. Later, he participated in a luncheon with industrialists of the region. [end recorded report]

SOVIET OFFICIAL BRIEFS LUSINCHI ON ARMS PROPOSAL

PA150441 Caracas EL NACIONAL in Spanish 5 Feb 86 p D 18

[Text] Vladimir Kazimirov, former Soviet ambassador to Venezuela and current chief of the First Latin American Countries Department of the USSR Foreign Relations Ministry, has provided a detailed explanation to President Dr Jaime Lusinchi of the Soviet proposal for nuclear disarmament.

Ambassador Kazimirov, who came to Caracas at the head of a Soviet delegation, was received on Monday afternoon by President Lusinchi, met yesterday at noon with Deputy Foreign Minister German Nava Carrillo, and participated in two working meetings at the Yellow House.

Asked at the Foreign Ministry about the purpose of his visit Kazimirov said: "We are here within the framework of political consultations between the Venezuelan and Soviet Foreign Ministries. This is a normal procedure used widely in contemporary diplomacy. For instance, every year the USSR holds political consultations with the foreign ministries of some 10 to 14 Latin American nations."

"This," he added, "is the purpose of our visit to Caracas, and we hope that in the near future a delegation from the Venezuelan Foreign Ministry will visit Moscow to continue our talks which I would say, are almost routine."

Asked by a journalist about the results of his meeting with President Lusinchi, Kazimirov answered that the talks had basically been about the recent Soviet peace initiatives.

Kazimirov added: "We briefed him and responded to his questions regarding the Soviet proposal for total and complete disarmament for all of humanity, in order to eliminate the nightmare of a nuclear catastrophe for the rest of the century." He added that a historically short term, the 15 years that remain in this century, is quite enough time to achieve this.

"Instead of spending huge amounts of resources in these coming years for the worldwide arms race, it would be much better to proceed directly to the elimination of all weapons, of the entire nuclear arsenal existing in the world, provided that space is not militarized. The creation, testing, and deployment of offensive space weapons [armas cosmicas de choque] will be forbidden. This was more or less the main subject of our talks," Kazimirov said.

We asked Kazimirov if this visit had any relation to, or if he had brought some proposal regarding the Central American crisis. Kazimirov responded: "The subject of regional and Central American conflicts was obviously included among the subjects of our consultations."

We also talked with Deputy Foreign Minister German Nava Carrillo, shortly before the second round of sessions with the Soviet mission was started in the Yellow House library, to get information on the subjects that had been discussed there.

Nava Carrillo said: "We are going to continue the conversations about some points of mutual interest to the two nations, in accordance with the mechanism of consultation that was established years ago. Yesterday we had the first meeting, and today we will conclude or at least make some progress in the course of the meeting, in an overall review of bilateral as well multilateral matters."

"One of the topics of these talks, as Kazimirov said, has been disarmament. We have also discussed some bilateral matters in which the two nations have a mutual interest."

Nava Carrillo cautioned that "to have a mutual interest does not mean that we share mutual positions, just that we do have mutual interests. We discussed those subjects, some matters relating to the United Nations, subjects concerning the Security Council, and some aspects of our bilateral relationship."

Trade and how to increase it was also one of the topics included in the discussions. In general, it was an extensive agenda.

PRC PRAISES OIL MARKET STABILIZATION EFFORTS

PA170025 Caracas Television Service in Spanish 0000 GMT 15 Feb 86

[Text] Through Hu Hongfan, its ambassador to Venezuela, the PRC has sent a message to Dr Arturo Hernandez Grisanti, minister of energy and mines and president of OPEC, for his efforts to keep the international oil market stable.

After meeting with the energy and mines minister, the PRC diplomat said that his country's government attaches great importance to Venezuelan President Jaime Lusinchi's great concern over the current situation in the oil market.

ENERGY MINISTER COMMENTS ON RESULTS OF TOUR

PA141733 Caracas Television Service in Spanish 0000 GMT 13 Feb 86

[Text] Arturo Hernandez Grisanti, energy and mines minister, returned to Venezuela this afternoon from Madrid after a tour that took him first to the new strategy committee meeting, then to Egypt and Saudi Arabia, where he met with the oil ministers of both countries, to Geneva, where he met with the Norwegian oil minister, and to Spain, where he met with Prime Minister Felipe Gonzalez. The main topic discussed was the world oil situation. We will now listen to Hernandez Grisanti's statements regarding the tour:

[Begin recording] I believe we have sustained the collaboration of oil-producing countries that are not OPEC members. There is a willingness to cooperate with the market's stabilization, and they understand the difficult situation we are facing and the great potential dangers involved in this situation if some market stabilization measures are not adopted. I truly believe that the results of the tour have been very positive, and we will wait to see how events develop. We are obviously following the situation very closely. We are concerned but also confident that we will find the means to overcome this difficult situation with other countries' help. [end recording]

Meanwhile, Hernandez Grisanti denied that in talks with Felipe Gonzales they established an agreement for Venezuela to purchase a refinery in Spain. This, Hernandez Grisanti said, has already been denied to the international press, especially to the Spanish press.

PRESIDENT REITERATES COUNTRY'S SOVEREIGNTY

PA171924 Mexico City XEW Television Network in Spanish 1600 GMT 16 Feb 86

[Excerpts] President Miguel de la Madrid stated today in Tijuana, Baja California that Mexico is not willing to trade its independence for economic support. Closing the 11th national meeting of local legislators held at La Cultura's theater in Tijuana, the president said that although we must vigorously tackle economic problems, it is also important to preserve freedom, and, above all, he said, the country's independence.

[Begin recording] Let no one be mistaken, Mexicans are not willing to trade independence for economic support. [applause] Let no one inside the country be mistaken, we are not going to tackle the economic crisis with authoritarianism or dictatorship. We are not going to turn over power to a junta of notables. We are not going to make the ejido [communal land] disappear. We are not going to weaken unions. [applause] We are not going to abandon the popular and nationalist education. [applause] We are not going to permit the interference of the church in political affairs. [applause] [end recording]

The president said that to Mexicans, democracy is a people's expression, and it can only exist when the people's right to self-determination is respected.

[Begin recording] We cannot permit foreign intervention in our electoral process because the Mexican's people's sovereignty does not view such intervention as legitimate in the political sphere. [applause] [end recording]

He reiterated that Mexico will overcome the problems of its economy and warned that those who think that this is the time to destroy the revolution or betray the country must give up hope.

DE LA MADRID APPEALS FOR 'JOINT ACTION' ON OIL

PA150423 Paris AFP in Spanish 2325 GMT 15 Feb 86

[Text] Mexico City, 15 Feb (AFP) -- A "joint action of all participants in the oil market" has been proposed by Mexican President Miguel de la Madrid in a letter sent to 12 heads of state, it was revealed today in an official communique.

The document -- addressed to the presidents of France, the UK, the USSR, the FRG, Saudi Arabia, Norway, China [not further identified] Oman, Algeria, Egypt, Kuwait, and Canada -- emphasizes that "world economic stability and the prosperity of our nations depend on international solidarity."

In the letter sent on 4 February, De la Madrid explained that the current oil market crisis has consequences that "go beyond its parameters and deteriorate the already critical international economic, commercial, and financial situation. The Mexican president also criticized "the harm caused by the commercial protectionism of the developed countries and the high interest rates."

This group of circumstances, he concluded, jeopardizes the economic and financial recovery programs of the oil exporting countries, "which cannot absorb its effects with internal adjustments, as it would lead them to an unacceptable deterioration of their peoples' living standards."

The communique implicitly refutes unofficial claims that De la Madrid had sent a letter to several industrialized countries asking for their help in dealing with the critical economic situation of Mexico and avoiding a moratorium on its foreign debt.

SEPULVEDA RATIFIES INTERNATIONAL AGREEMENTS

FL150104 Mexico City NOTIMEX in Spanish 2215 GMT 14 Feb 86

[Excerpt] Mexico City, 14 Feb (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor has reported that during his stay in Washington and New York the Central American pacification agreement of the eight Latin American governments represented in the Contadora Group and the Support Group was ratified.

Sepulveda Amor said that at the meeting with the ministers of the eight nations it was agreed to put into effect the actions provided for in the Caraballeda message to achieve peace, security, and democratic development in Central America. He also said he had signed the inter-American convention to prevent and sanction torture. He added that this convention was approved by the Organization of American States last December and represents a continental effort to combat the practice of torture.

PEMEX CUTS EXPORT CRUDE PRICE TO $15.07 PER BARREL

PA142232 Paris AFP in Spanish 2215 GMT 14 Feb 86

[Text] Mexico City, 14 Feb (AFP) -- Pemex has decided to reduce the average price per barrel of its export crude by $4.68. The price is now set at $15.07 per barrel, the oil monopoly officially announced.

NONOIL PRODUCT EXPORTS TO TOP $7.5 BILLION

FL171730 Mexico City NOTIMEX in Spanish 0200 GMT 17 Feb 86

[Text] Mexico City, 16 Feb (NOTIMEX) -- A study conducted by the Secretariat of Commerce and Industrial Development indicates that in 1986 Mexico will earn more than $7.5 billion from exports not related to the oil industry. The secretariat explained that, because of the drop in oil prices on the international market, the federal government will take new actions to increase the sale abroad of products not related to the oil industry. The secretariat added that earnings could exceed $7.5 billion if the programs to produce manufactured articles that are highly competitive on the world market are successful.

The secretariat said that the programs include plans to grant promotional incentives [estimulos promocionales] to about 600 firms in different fields in addition to providing consultation services to the Mexican exporting community to reinforce the effort made to increase foreign sales. The secretariat said that one of the most important measures to support the export industry is the granting of economic incentives in border areas and free zones.

In accordance with the goals of the secretariat, in 1986 measures will be taken that are congruent with the national commerce and industrial development program to broaden and diversify trade in goods not related to the oil industry.

PEMEX SETS PRIORITIES IN EXPLORATION PROGRAM

PA172230 Mexico City XEW Television Network in Spanish 1600 GMT 16 Feb 86

[Text] Pemex has reported that it will set priorities regarding oil exploration. The objective is to guarantee that the proven oil and gas reserves will continue to maintain a level that compensates for production on a short and medium term. Pemex also announced that it will give priority to geological areas that offer better chances of finding new fields of hydrocarbons.

Regarding the marine exploration program, it was explained that priority will be given to Campeche Sound, the country's best producing area, which has the largest proven and probable reserves. In addition, it was disclosed that the drilling work that was going to be performed off the Tamaulipas and Veracruz coasts this year will be deferred. With the change in the marine exploration program and by leaving in effect only the work in the Campeche Sound, Pemex also postponed activities planned for other areas in the Gulf of Mexico, including the exploration of six wells in the areas known as (Laguna Madre), Tuxpan, and Veracruz.

In conclusion, it was said that Pemex agreed for budgetary reasons to establish priorities in the use of its resources for the exploration program, taking into account the volume of reserves that must be maintained in order to meet local as well as the external demand.

PUBLICATIONS EXCHANGE AGREEMENT SIGNED WITH CUBA

FL171748 Mexico City NOTIMEX in Spanish 1904 GMT 16 Feb 86

[Text] The National Council for Science and Technology (Conacyt) has reported that Mexico and Cuba have signed an agreement establishing the exchange of scientific and technical publications.

Conacyt said the agreement was signed by this government organization and the Cuban State Committee for Economic Cooperation, adding that, thanks to this cultural agreement, the 19 Conacyt bookstores will sell socialist publications and books to students and the general public. It explained that these bookstores will have Cuban editions that have virtually disappeared from the national market because no distributor for these publications existed.

Conacyt said the Cubans will obtain the Conacyt library system and Mexican editions and will also be able to acquire Argentine, British, French, U.S., and Spanish books.

PRIVATE SECTOR DEBT WITH JAPAN RESCHEDULED

FL172250 Mexico City NOTIMEX in Spanish 2205 GMT 17 Feb 86

[Excerpt] Mexico City, 17 Feb (NOTIMEX) -- Mexico and Japan today signed an agreement restructuring Mexico's private sector debt, which totals approximately $48 million. The Japanese International Trade and Industry Ministry rescheduled medium- and long-term loans for 3 1/2 years and short-term loans for 6 months.

The document was signed by Mexican Finance and Public Credit Secretary Jesus Silva Herzog and Japanese Ambassador to Mexico Takeshi Naito and indicates that the fixed interest rate will be 7.3 percent annually for the debts incurred in Japanese yen or German marks. The fixed interest rate will be 9.25 percent annually for debts incurred in U.S. dollars.

PERU'S ALAN GARCIA TO VISIT 25, 26 FEBRUARY

PA141407 Panama City STAR AND HERALD in English 14 Feb 86 pp A 1, A 6

[Excerpts] Panama (ANSA) -- Peruvian President Alan Garcia will visit Panama the 25th and 26th of Feb. according to an announcement from his Panamanian counterpart Eric Arturo Delvalle, with whom Garcia will discuss the coming summit of Latin American heads of state.

The President of Panama said that there are already taking place here preparations to receive the Peruvian leader.

The spokesman said that the agenda of the meeting between the presidents of Panama and Peru and the South American's entourage is not yet known.

It was announced that soon the new Peruvian ambassador will take over his office in Panama, and all indications show that it will be during the visit of President Garcia.

COURT DISMISSES HUGO SPADAFORA MURDER CASE

PA161750 Panama City LA REPUBLICA in Spanish 16 Feb 86 p 1 A

[Excerpt] The 4th David Superior Court of Justice has issued a final discontinuance ruling in the Hugo Spadafora case in favor of Omar Vega Miranda, Eliecer Ramos, and Francisco Eliecer Gonzalez. The document was signed by Justices Ricardo Jurado de la Espriella, Ruben de la Guardia, and Andres Almendral.

ARIAS SEES COUNTRY ON 'BRINK OF NATIONAL DISASTER'

PA172236 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Feb 86

[Text] Former Panamanian presidential candidate Ricardo Arias Calderon has said that Panama is on the brink of a national disaster. Arias Calderon, who participated in the elections of 1968 and 1984 as a candidate for the presidency of the Republic, is now in Guatemala. Commenting on the situation in his country, he said that the government is subject to a combined fiscal and political crisis, helped along by the high rate of unemployment; therefore, as a consequence of a legitimate [as heard] regime, the most dangerous factor is that Panama is on the brink of a national disaster, because the military is the power behind the throne.

The former presidential candidate added that his country is experiencing difficult and critical times as a result of what he described as the most scandalous case of electoral fraud ever, which took place in 1984. Because of this, he said, at present there is social unrest as a result of the acts of repression, corruption, and other negative factors produced by the top military echelons.

Arias Calderon, a leader of the Panamanian Christian Democrats, met with Guatemalan President Marco Vinicio Cerezo Arevalo and deputy Luis Alfonso Hidalgo, head of the Congress, with whom he discussed the process of a return to legal regimes in several Central American nations. As a Panamanian, I hope that my country will find the path to democratization, like that which the Guatemalan people are treading, the political leader said.

HAITIAN EXILES DEMAND TONTONS MACOUTES LEAVE

PA172009 Panama City LA PRENSA in Spanish 15 Feb 86 p 16 a

[Report by Jose Quintero De Leon]

[Text] A dozen Haitian exiles living in the capital city for several years picketed their country's embassy on Eusebio A Morales Street, Bella Vista, to demand that Ambassador Musset and the elements known as members of Haiti's secret police (Tontons Macoutes) leave Panama.

The demonstrators carried placards demanding that Mussett expel the sinister policemen from Panama. They also carried the blue and red independence flag and white candles symbolizing the death of Jean-Claude Duvalier's dictatorial regime, which was overthrown last 7 February, after a 28-year dictatorship initiated by his father, Francois Duvalier.

Interviewed by LA PRENSA, group spokesman Ray Gerome, exiled from Haiti for the last 18 years, said they want democracy to return to their country and the "Tontons Macoutes" that are here to leave.

According to Gerome, they received a telegram from Port-au-Prince, alerting them to the presence of the now-pursued secret agents, including, as shown by his corresponding record and number, Ambassador Mussett himself.

Concerning Duvalier's reckless departure, Gerome said it was high time for it to take place, since countless arrests, tortures, imprisonments and cases of repression -- affecting members of his family -- had occurred during Duvalier's repressive regime of more than 28 years.

He estimated that almost 30 Haitian families living in Panama will now try to return to their country to participate in its economic, social, and cultural reactivation as democracy can be reborn there, as it should be in order to benefit future generations.

Asked about the performance of the United States, he said that this Caribbean dictator remained in power for so long thanks to U.S. aid. However, once it withdrew its aid, Duvalier fell. This happened, however, several days after his ouster was announced, because the United States knew Duvalier had to leave.

Concerning whether the provisional junta currently in power in Haiti is a continuation of the overthrown government, Gerome said that not much can be expected, as at present most of the opposition politicians are abroad and only the moderates have remained. In his view, these "moderates" will remain in power only until order and peace are established and the country is reorganized through normal elections.

Gerome pointed out, however, that the Haitian people continue to protest the presence of former President Duvalier's ministers, who remain at the head of the executive branch's ministries. "As there is no other alternative, it is necessary to momentarily accept that government, which also includes the Armed Forces, the real power, until normal elections are called and we can participate in the country's reconstruction," the spokesman concluded.

COSTA RICA

ARRIVAL OF 180 U.S. ARMY ENGINEERS ANNOUNCED

PA141852 San Jose Radio Reloj in Spanish 1200 GMT 14 Feb 86

[Text] A group of 180 U.S. Army engineers will arrive in Costa Rica next week to carry out civil projects in Parrita and Quepos. This was announced yesterday afternoon by Foreign Minister Carlos Jose Guiterrez, who said it is the result of a cooperation agreement through which U.S. Army civil engineers will build a bridge over the Hatillo Viejo River and repair at least four other bridges between Parrita and Quepos.

The U.S. engineers will come without weapons and will bring their own construction equipment. The Civil Police will be in charge of guarding the camps and movements of that group of U.S. Army personnel. During their stay in the country from February to the end of April, the U.S. Army engineers will spend more than $180,000, while Costa Rica will contribute approximately $100,000 in materials, fuel, and vigilance.

The stay in the country of these U.S. engineers will (?result) in the construction of projects urgently needed in the country. As a result, the road between Parrita, Quepos, and Dominical will be made passable. The bridge that will be built over the Hatillo Viejo River will be a Bailey bridge.

The negotiations for the arrival of the U.S. Army engineers in the country began last year. Their arrival signifies very important cooperation with our country, Foreign Minister Gutierrez said.

In 1984, Costa Rica turned down the U.S. Government's offer to sent 1,200 U.S. Army civil engineers to build the Canas-Upala road and other projects in the region on the border with Nicaragua because it was believed that their arrival was not advisable at that time. The aid has been accepted now, but just until the end of April, because it is a responsibility of the current administration, Foreign Minister Carlos Jose Gutierrez said.

ARIAS SANCHEZ FAVORS RESUMPTION OF NICARAGUAN TIES

PA161619 San Jose Radio Reloj in Spanish 0100 GMT 16 Feb 86

[Text] President-elect Oscar Arias Sanchez has stated that it was important for Costa Rica to normalize its relations with Nicaragua within the framework of efforts to seek peace and tranquillity. He said he does not agree with those who favored a break in relations with the neighboring country and added that the resumption of relations should not surprise anyone.

He also said the criticism from certain sectors against the normalization of relations with Nicaragua is prompted by the fact that the diplomatic language is too vague. He remarked, however, that Costa Ricans must look at the core of the matter: Do we want relations with Nicaragua or don't we?

He added that the question should be whether Costa Rica can handle the situation better with an ambassador in Managua or if this can be done better through a diplomat of another nation.

Arias Sanchez said he believes that relations with Nicaragua will not be good because of the international situation in that country.

According to him, this situation will continue as long as a document for peace in Central America is not signed. Therefore, he said, it is better to resume relations in order to solve future difficulties directly.

He said he had read the letters exchanged between Presidents Daniel Ortega and Luis Alberto Monge but noted he had not analyzed them.

On another subject, Arias Sanchez said it is up to Nicaragua to decide whether Daniel Ortega or any other government official will attend his inauguration. He recalled that the committee in charge of organizing the inauguration must invite all the governments of Central America, Latin America, and the world.

In conclusion, he reiterated that even if he makes an already announced trip to Central America, he is not planning to go to Nicaragua. [words indistinct]

MONGE, GUTIERREZ WANT OAS BORDER OBSERVERS

PA142118 San Jose Radio Impacto in Spanish 1830 GMT 13 Feb 86

[Text] The Costa Rican Government remains firmly interested in the installation of a permanent commission of OAS observers along the border with Nicaragua. This has been stated by President Luis Alberto Monge and Foreign Minister Carlos Jose Gutierrez. Gutierrez has said the commission would supervise the border between the two countries to establish what the real situation is.

In recent days, the Costa Rican authorities have denounced an incursion into Costa Rican air space, and the Sandinists claimed that one of their soldiers was wounded during an attack from Costa Rican territory. This is taking place despite the fact that the two countries have decided to renew their diplomatic relations after 9 months of frozen relations, a result of the Las Crucitas incidents in which two Costa Rican guards died.

Foreign Minister Gutierrez has said the Sandinist regime has apologized for this attack and has promised to respect the border and not carry out any activity against Costa Rica. He noted that Costa Rican territory will not be used by any rebel armed force to attack Nicaragua.

The foreign minister warned: We do not want anyone's military bases here. He added: An OAS commission of observers represents a guarantee of calm between the two countries.

GOVERNMENT ORDERS CLOSURE OF ILLEGAL AIRPORTS

PA162245 Panama City ACAN in Spanish 1836 GMT 15 Feb 86

[Text] San Jose, 15 Feb (ACAN-EFE) — In an effort to fight drug smuggling, the Costa Rican Government Ministry has ordered the closure of nearly 200 private airports that were operating illegally, an official source has reported. The deputy government minister, Rene Castro, said this measure will affect those installations not duly registered with the civil aviation authorities, according to a ruling by the comptroller general of the Republic.

In recent months, the narcotics authorities have detected airplanes flying over areas such as Guanacaste Province in the north, and it is suspected that they were carrying drugs or narcotics traffickers.

Castro said the government will notify the respective owners of airports having problems to close them, and several days later the authorities will verify if the orders have been followed. In this manner, they will try to get all such airports duly registered.

The government ministry tried to implement this practice last December, but it was harshly criticized by pilots and businessmen, who felt the measure would not solve the problem of drugs and contraband but would cause them problems.

EL SALVADOR

VENCEREMOS REPORTS SHOOTING OF U.S. 'ADVISER'

PA160346 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Text] Attention: Another Yankee's blood has been spilled on Salvadoran soil. Pay attention to the following report: A U.S. military officer, acting as adviser to the Salvadoran Navy was shot to death a few hours ago in a restaurant near the National Zoo in San Salvador. The report says Peter Stryker Hascall, 35 years of age, who was acting an an adviser to the Salvadoran Navy, was with two Army lieutenants when he was shot to death. Hascall had a firearm in his possession.

In our forthcoming transmissions we will give you more details. There are more than 52 military advisers in our country. Many are acting under cover, passing as businessmen, as salesmen of infrared equipment, and as paint experts, as the Armed Forces Press Committee, COPREFA, reported in the case of Peter Stryker Hascall.

The truth was that the gringo killed near the zoo was armed and was with two Army lieutenants. In our country, an armed gringo who hold the rank of captain and goes around with army officers is not a tourist.

Every gringo who comes to our country to make war or with the intention of subduing our people will certainly meet our organized people's reaction and will see his blood running in this worthy and rebel land.

U.S. MILITARY ADVISER CRIPPLED BY MINE EXPLOSION

PA160302 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Communique issued by the FMLN General Command on 15 February -- read by announcer]

[Text] We wish to report that on 2 February, U.S. military personnel were accompanying the advancing Arce Battalion in its operation in Morazan. After comparing the intelligence reports from various points, we have confirmed that one of the U.S. military advisers accompanying the troops in that combat area was riding a horse taken from the people.

The Arce Battalion troops and the U.S. advisers momentarily stopped their military advance some 6 km from the town of Torolas at the site known as El Portillo de San Diego. After one of the above-mentioned U.S. advisers got off his horse, he stepped on an Atlancatl mine, placed by our guerrilla units against the enemy advance. The explosion blew off one of the adviser's feet. The report adds that as result of the blast, the horse was killed and one of the Arce Battalion troops was wounded.

General Onecifero Blandon, underestimating the capacity of our people, and trusting the U.S. officers to lead the operation, told the press at the beginning of the actions in Morazan that the next 48 hours would bring big surprises in the development of "Operation Carlos." Well, our enemies were the surprised ones when the Salvadoran colonels, serving as subordinates in the operation, witnessed the scene where one of their U.S. bosses had his foot blown off. From there on, the demoralization became so evident that it forced them to interrupt the operation after they had already suffered 48 casualties, 30 of them by revolutionary mines.

The U.S. military adviser wounded in Morazan is one of the CIA officers operating together with the Arce Battalion -- whose chief is Colonel Mauricio Estaben, a well-known CIA element in our country.

The U.S. Government, through the State Department, has tried to hide the presence of North Americans in the military operations of the puppet armed forces, claiming that they are participating in civic actions, distributing food. The U.S. adviser was wounded on 2 February, 6 km from Torola, as the troops advanced toward that town, in a combat area, where none of the so-called civic actions of the Army were carried out.

The participation of U.S. military elements in military actions is nothing new. U.S. pilots daily carry out intelligence operations over our territory. On 18 October 1984, the chief of these advisers in El Salvador, Colonel James Steele, took part in the helicopter airborne landing against the command of the northwestern front and Radio Venceremos during what was known as the "Torola-4," operation, in which the FMLN wiped out Domingo Monterrosa. Another U.S. adviser participated in the helicopter airborne operation in which commander Nidia Diaz was captured in the San Vicente Department.

All our people rejoice that the first U.S. military adviser has lost a foot as a result of an Atlacatl mine. Our people celebrate this with the same joy with which Atonal and the Pipil Indian warriors in 1524 saw the invader Pedro de Alvarado flee El Salvador in defeat with an arrow through his leg. Now, the imperialist aggressors have an example to take to Reagan to show what will happen to the Yankee invaders who remain in our country, staining our national sovereignty and independence.

The extent of intervention of the Yankee invaders is not determined by their presence in the combat areas but by us. Their presence anywhere in the Salvadoran territory, in acts of aggression against our people, marks them as military targets of our forces.

The U.S. people must increase their opposition to the warmongering policy of intervention in El Salvador being conducted by Ronald Reagan, who is leading the North American youth to a new Vietnam in our America. In this new adventure, thousands of North Americans will die or will be crippled -- just as happened this time to the U.S. military adviser -- until Reagan realizes that he cannot shackle our people or force them to their knees because we are aware that our sovereignty, our independence, and the destiny of our homeland is at stake.

GUARDSMEN FOUND GUILTY OF SLAYING 2 U.S. ADVISERS

PA141311 Panama City ACAN in English 1210 GMT 14 Feb 86

[Text] San Salvador, 13 Feb (ACAN-EFE) -- Tonight San Salvador's Fifth Penal Court found two former National Guardsmen guilty of murdering two U.S. labor advisers and one Salvadoran official in January 1981.

The public hearing of the two defendants Santiago Gomez Gonzalez and Jose Dimas Valle Acevedo lasted 12 hours amid strong arguments between the prosecuting team made up of six lawyers and the defense represented only by Luis Arevalos Diaz.

A jury of two women and three men found Gomez and Valle guilty of murdering Michael Peter Hammer and Mark David Pearlman, U.S. labor advisers, and Jose Rodolfo Viera, Salvadoran president of the Land Redistribution Agency. The triple murder took place at a San Salvador Hotel on 13 January 1981, and the legal proceedings began in September 1982.

The public hearing was conducted under Fifth Penal Judge Rolando Calderon Ramos.

The defense lawyer managed to put the prosecutors in a tight spot, arguing that the defendants had no motives to commmit these acts and that they had received orders from their superiors. In addition, the defendents' lawyer said Gomez and Valle were honest in admitting their actual involvement in this case, but noted that these men were obeying a military order, and military obedience is stressed in all the security corps.

According to the facts of this case, the defendants received the order from Lieutenant Isidro Lopez Sibrian, who was arrested in early 1983 for his role in the murder of the U.S. and Salvadoran citizens, but he was released when his case was dropped on 29 April of that year for lack of evidence.

According to official sources, the sentences against Gomez and Valle, which will be announced withinthe next 30 days, will be between 25 to 30 years, according to Salvadoran laws. This is the first case involving a political crime that has been tried so far this year.

Venceremos Comments

PA162352 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Feb 86

[Station commentary]

[Text] Two National Guardsmen were each sentenced Thursday to 30 years in prison. They have been charged with murdering two U.S. agrarian reform officials and Rodolfo Viera, president of the Salvadoran Land Redistribution Agency, in the Sheraton Hotel in San Salvador in January 1981.

Certainly, the guards must be punished for this crime, but they are not the sole murderers. They are not the only ones responsible, and they certainly are not the most important. The two National Guard members sentenced to 30 years on Thursday only obeyed the orders of their superiors. Captain Eduardo Alfonso Avila and Lieutenant Isidro Lopez Sibrian, both of whom were clearly involved in the triple crime at the Sheraton hotel, are free. The so-called Supreme Court of Justice declared these two officers innocent. And it is only ntural for this to occur because, had Avila and Lopez been tried, they would have mentioned other names of higher-ranking officers -- names of colonels and generals -- and this would not have been tolerated by the lame, blind, and limping Salvadoran justice system. So, only the two guards were sentenced. The oligarchs (Jancris) and (Seimesas) also were declared innocent during the hearings.

The rank and file of the Army and the so-called security organizations must ponder this. A crime occurs and officers and oligarchs are involved in it. All of them are guilty. But, at the time of retribution, only those of low rank, the guards, those who executed the orders, are sentenced.

The others are left comfortably free. The U.S. colonels, generals, and military advisers themselves turn agents and soldiers into murderers. They teach them to kill. At the time of the sentences, however, only the lowly are made to pay.

CHURCH CALLS ON ARMY, REBELS TO RESPECT CIVILIANS

PA170350 Panama City ACAN in Spanish 1929 GMT 16 Feb 86

[By Pablo Antonio Ayala]

[Text] San Salvador, 16 Feb (ACAN-EFE) -- The Catholic Church of El Salvador today asked the Army and the guerrillas to respect the lives of the civilian population during the clashes in the war areas. Father Jesus Delgado, who replaced Archbishop Arturo Rivera y Damas during the Sunday homily at the Metropolitan Cathedral, analyzed the situations prevailing in view of the armed conflict the country has been enduring for over 6 years. The priest emphasized all the violations and torture of human beings.

The priest warned the guerrillas not to mine the fields because many civilians who have nothing to do with this conflict between the Army and the rebels are being killed. "Brethren guerrillas: If you can no longer fight face to face, do not mine the fields because innocent children are being killed. Military gentlemen: Respect human lives," Delgado said.

He added that, according to testimony gathered by the legal aid section of the Archbishop's office, a 16-year-old was "severely" tortured at the general garrison of the Treasury Police, where he was given "some pills so he would talk." The priest added that the young man was taken out of his home by security agents who were looking for the youth's father, allegedly involved in guerrilla activities.

Delgado said so much "evil against innocent people is inflicted following orders" and "many of those inflicting the torture are only following orders." The priest added: "The Devil is working with cruelty and evil in El Salvador."

Jesus Delgado asked the soldiers, intellectuals, politicians, clergymen, domestic workers, and other workers "to develop an awareness so that we will not be used as instruments of this conflict."

According to Delgado, there are many millions of dollars the United States has pinpointed for educating the Armed Forces of El Salvador, but there are serious difficulties in obtaining these funds because the (U.S.) Senate insists that in this country "there is still torture and violence."

The priest explained that the Catholic Church is requesting that the Army be more careful in its treatment of the civilian population in the area near Guazapa Hill, where the counterinsurgency "Operation Phoenix" is being carried out, and where much of the civilian population has been fenced in. Delgado also asked the Armed Forces not to capture a group of 60 persons who managed to flee the combat area in Guazapa and requested refuge in the church at El Carrizal, in northern Chalatenango Department.

Delgado referred to the recent trial that condemned two former National Guardsmen for having killed two U.S. adivsers and one Salvadoran official, and said the true authors of this murder are free. "The verdict was guilty. That is great," Delgado said, "but where are the intellectual authors, the ones who gave the money, the weapons, the information, the names, and the place where the victims were?"

Last Thursday, former guardsmen Santiago Gomez and Jose Dimas Valle -- charged with having murdered U.S. advisers Michael Hammer and David Pearlman and Salvadoran official Rodolfo Viera on 3 January 1981 -- were found guilty during a public trial.

The priest said last week the Legal Aid Officer of the Archbishop's office registered 14 captured persons, 22 violent deaths outside of combat, 2 persons kidnapped by the guerrillas, 1 person murdered by the "Death Squads," and 3 Army casualties.

In the face of such actions, a pastor "cannot agree with the dark forces of injustice and evil, and cannot remain silent, even more so because in this war we do not want to confront one after the other," the priest concluded.

GUATEMALA

CEREZO ON U.S. AID, TALKS WITH GUERRILLAS IN 1986

PA180409 Guatemala City Domestic Service in Spanish 2140 GMT 17 Feb 86

[News conference with President Vinicio Cerezo and local and international reporters at the Banquet Hall of the National Palace -- live]

[Excerpts] [Reporter] Mr President, Minister Rodil [Government Minister Juan Jose Rodil Peralta] told us a few days ago about an apparent lack of technical ability in the police and that, as part of the reorganization of the security forces, plans are underway to ask the United States for economic assistance for the police. Has this been discussed? Do you know that there is considerable opposition in the U.S. Congress to this type of aid?

[Cerezo] I think there is considerable opposition to this type of aid in the U.S. Congress. Nevertheless, when I visited the United States prior to my inauguration, I mentioned that we would require technical assistance for the reorganization of the police department and that we would likely request it. We did not mention military assistance at the time, but only technical assistance for the police, because one of the people's rights -- this is a constitutional right in Guatemala and, I think, everywhere else in the world -- is security, not only politically, which interests international human rights organizations the most, of course, but also personal and individual security. This is vital. We have observed Guatemala's great number of criminal and security problems for a long time, and we are very concerned about this. We must cope with this problem somehow. We will also have technical and economic problems to increase the capacity of the Guatemalan security forces. Of course, we will request assistance for these types of things, which we do not believe are linked to political or human rights problems, but to the people's security. May I say that, of course, we will deal with this as we make progress in controlling these security forces to act within the law and the de jure state.

[Reporter] I am a PRAVDA correspondent.

[Cerezo] Correspondent of what?

[Reporter] PRAVDA.

[Cerezo] Oh, well, welcome.

[Reporter] Good afternoon. Excuse me, please, gentlemen. My question will deal not with the economic problem but will instead deal with the political and security problem, and, as you have said, the country's pacification.

In one of your answers to an EXCELSIOR correspondent, you said contact with the Guatemalan guerrillas will take place at the end of the year. Why do you plan to make contact and hold talks with the guerrillas precisely at the end of the year? This is my first question. With your permission, and if it is possible, I would like to ask another question, this time about Central American affairs. Tell me, what is the status of your contacts with Central American leaders about the Esquipulas meeting in May of this year? I know the initiative is yours.

[Cerezo] Thanks. One thing was mentioned in EXCELSIOR textually. Please note that I will stress this because I feel it is very important to point out the difference. I spoke about talks. On purpose, I did not use either the word dialogue or the word contact. I said talks. I said talks to invite the people who have chosen violence and guerrillas to be politically integrated into the country. Why did I say this and why the date? Because we have set priorities.

The Guatemalan people's priorities are not necessarily those of other countries. We Guatemalans want first to resolve our economic, eating, and working problems. This comes first. In the second place, our domestic security problems must be considered. This has two aspects: political and legal, that is to say, respect for Guatemalans before the law. Once this has been achieved and we have coped with the most important problems, we will create what will surely be a de jure state. This state will result from the police reorganization by the government and the adherence to the law of all the security organizations.

When we are sure that we have begun to work along these lines, I will be able to tell, with all moral authority, all those who use arms outside the law and who do not legally participate in the country's activities that, if they want to return to normalcy, they must lay down their weapons. We will talk with them some other time, try to determine the mechanisms for their return, and try to put an end to this problem of military confrontation. We would then find out whether they are willing to end this. As I have always said, in order to talk and reach an agreement with someone, two sides are required.

It could happen that we invite people to participate legally and are rejected. Or we could not, perhaps. We hope we will be not rejected. We hope this laying down of weapons is accepted and legal participation in the country occurs. Yet, we said this and placed this as a second place priority because this will be the result of establishment of a de jure state in Guatemala. Naturally, we will give the guerrillas the opportunity to choose, yet we will keep our stance that a democratic government has a right to defend its democracy within the law and, of course, to do so by allowing the political participation of those who want to, peacefully and without weapons, regardless of their political ideologies.

As for Esquipulas, we have made headway in preparation of the works, I mean the Central American parliament proposal, and the meeting's working agenda will be presented to them. The meeting has been accepted by all the presidents. We will send a delegation to Central America to present the working document prior to the May meeting so they can make suggestions and remarks. The plan is to make progress on the constitution of the Central American parliament so it can be a forum for political and economic discussion where the various Central American political trends will be represented.

CEREZO GRANTS AMNESTY FOR POLITICAL CRIMES

PA171836 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] Guatemalan President Vinicio Cerezo has told the Mexican paper EXCELSIOR that it is necessary for talks between his government and the leftist guerrillas to begin this year.

I believe that by the end of this year, more or less, we may begin talks with those sectors to invite them to participate in politics, Cerezo told the paper in an interview published today.

Cerezo also said he will comply with a decree issued by the government of General Oscar Humberto Mejia Victores. The decree granted amnesty for political crimes committed between March 1982 and January of this year.

PRESIDENT MEETS MUTUAL SUPPORT GROUP LEADERS

Promises To Help

PA170414 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] President Vinicio Cerezo met today with leaders of the Mutual Support Group [GAM] at the National Palace and promised to have answers regarding the nation's missing persons within a given amount of time. The following is a part of Cerezo's statement to the GAM leaders:

[Begin Cerezo recording] I cannot promise to do things that are beyond my power. If one of my personal characteristics stood out during the electoral campaign, it was that I never promised anything that I cannot fulfill. In speaking to some of you on earlier occasions, I said I can promise to try to find the truth about what happened. This is what I am going to try to do.

You have made statements. I heard that a document was published yesterday stating many things. It states that we must solve practically all of the country's problems of the past 20 years -- the Panso tragedy and others. We must try to solve as many problems as we can. You know perfectly well that President Vinicio Cerezo has nothing to do with the disappearance of the people you have lost. President Vinicio Cerezo is trying to create conditions so that other parents and other wives will not suffer what you are suffering. We must (?think) about how we are going to achieve this. You people do not have the answer, and neither do I. You may have some suggestions and pointers, and my role as president is to listen to what you tell me and consider if what you ask is good for all Guatemalans and not only for you. You have the right to make demands, but the president is obliged to make decisions for the benefit of all Guatemalans, not for each sector. [end recording]

During the meeting, Linnette Montenegro de Garcia, the main leader of the GAM, told Vinicio Cerezo that he knows who is responsible for the kidnappings and missing persons.

[Begin Montenegro recording] As leaders of the GAM, as relatives of persons who have been captured or are missing, [words indistinct] (?we believe that progress has been made.) We know perfectly well that you are not responsible for the capture and disappearance of our loved ones. We know who is responsible and so do you. We also know that you must restore confidence in the vote and in the credibility of the law. (?this is what we want). We would never go against the people; on the contrary, we have come here with concrete and objective requests and we believe they can be fulfilled if a dignified, conscientious, [word indistinct], and moral attitude is adopted in support of the people [words indistinct]. [end recording]

Finally, Vinicio Cerezo announced that within 2 weeks he will have conclusions on the topic of the mission persons.

[Begin Cerezo recording] I will say this. I believe the request made is very concrete.

I am going to accept the request and the other documents you present, and I promise that after discussing and considering it with my political advisers or the appropriate ministers, I will try to give an answer regarding the decisions we have adopted at another meeting similar to this one. I will do this within the shortest time possible. I ask you to give me a maximum of 15 days, and probably by the end of next week I will send you an invitation to another meeting, at least 3 days in advance. At this meeting I will inform you of the resolution adopted in response to the request you have presented [words indistinct].

It is possible that the need may arise for consultations prior to publicly announcing a decision. Therefore, I ask you to be understanding because a brief consultation meeting could be called by the board of directors... [interrupted by brief question] Yes, that is what it is called. Board of directors or coordinating group for any type of quick consultations so that when a resolution is presented I will have been able to clarify some issues if necessary. To present the draft of the answer to the memorandum you presented we will invite everyone here so we can discuss it with all of the people affected. [end recording]

GAM Gives Government Deadline

PA172203 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 17 Feb 86

[Text] The Mutual Support Group [GAM] has set a deadline -- to be in force for the rest of the month -- for the government to give the group conclusive reports on investigation concerning the whereabouts of missing and kidnapped people. Meanwhile, an ex high-ranking officer also discussed this during the weekend. General Benedicto Lucas Garcia, formerly Army chief of staff, has advocated a legal inquiry into this matter. Lucas held office during the government of his brother, General Fernando Romeo Lucas Garcia, during whose term the disappearances denounced by the GAM allegedly would have occurred.

So far, the GAM's contacts with the former de facto and the current constitutional governments to clarify these cases have proved fruitless. The GAM itself dismissed the possibility of discussing the matter with Government Minister Juan Jose Rodil Peralta and chose instead to ask President Vinicio Cerezo for a hearing. The president granted it on Thursday. The reaction of Gen Benedicto Lucas, retired, occurs amidst expectations by the missing people's relatives that the solution which the current government offered to give them within 2 weeks is forthcoming.

[Begin recording] [Lucas] Relations with the people are getting better. Naturally, a certain resentment and hatred have been expressed for some time now because, of course, mistakes were sometimes made in the past. So these mistakes were made, and some people are quite vexed about this.

Little-by-little, however, the people have become more and more identified with the military. These relations will become even better now that the military men have returned to their barracks, though I understand that not all of them have yet returned to their headquarters. As a result of this, coexistence will be a lot easier. I feel that peaceful coexistence is what makes relations between civilians and the military possible.

[Unidentified reporter] You mentioned that a certain harmony between the civilian regime and the Army exists. Yet, will this harmony continue if the authorities carry out an investigation of the regimes that ruled the country from 1978 to 1985 by applying the formula used in Argentina by President Raul Alfonsin?

[Lucas] I feel there are viewpoints and viewpoints. It is true that many people, including the GAM, accuse many military people.

Apparently, even I have been accused of committing certain outrages. I think they have generalized. In order to be more positive, they should act more seriously because they can sometimes harm the dignity of honest people. I consider myself honest, truly nationalist, and of deep humaneness. I would never lend myself to making the type of mistakes they have mentioned.

Anyway, it is the tribunals that must cope with this. Should the tribunals establish the guilt of some of those accused, it would have to be based on the GAM's charges. I don't think the rest of the population would oppose this. The problem deals with the relatives -- I deeply regret that these people have been reported missing -- the GAM people, and the military who end up being involved. Some of them surely are involved, but we still have to find out who. They must be identified. Let not this group, however, accuse people a priori without being certain of their charges. [end recording]

PARTICIPATION IN AREA MILITARY EXERCISES DECLINED

PA141926 Guatemala City EL GRAFICO in Spanish 13 Feb 86 p 5

[Text] Upon being asked unofficially a few days ago to participate in military exercises with armies of other Central American countries and Panama, President Vinicio Cerezo Arevalo, in his capacity as commander general of the Army, together with a corp of advisers and Army members, rejected such a proposal for the time being. He pointed out that current conditions are not appropriate for such exercises in Central America; in fact, they could hinder the democratic spirit that inspires Guatemala.

Although Cerezo did not specify a date when Guatemala could participate, due to the circumstances he left open the possibility in case it is necessary for our country to participate in such exercises in the future.

Foreign Minister Explains

PA171751 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Feb 86

[Text] Guatemalan Foreign Minister Mario Quinonez has said during a news conference that military maneuvers on the Pacific Coast contribute nothing to detente in the Central American area. This was the minister's answer to a question about Guatemala's refusal to participate in the joint exercises.

[Begin Quinonez recording] Actually, I believe the reason is that we do not have a large merchant marine [as heard] with which to participate in military maneuvers. The idea is not greatly attractive to us.

On the other hand, Contadora has always criticized the staging of military maneuvers. Military maneuvers, then, would only make the situation more complex and more difficult instead of promoting detente. This is one of the prevailing reasons for our decision. [end recording]

The Guatemalan foreign minister today discussed the regional situation, in view of the various opinions expressed on the role of the Contadora Group, including that of former U.S. President Jimmy Carter.

[Begin Quinonez recording] Well, I respect former President Carter's viewpoint, although I do not share his opinion. I believe that Contadora, despite being very harshly criticized by certain sectors, has played a very important role, which is to have helped create a kind of dike to keep back the waters.

That dike has in some ways kept the Central American conflict from becoming generalized. I believe we must applaud Contadora for this.

I would like to point out something that is very important and which we may be mentioning for the first time. Why hasn't the Central American conflict been taken to the OAS or the United Nations? I believe the answer is that in each of these organs -- the OAS is the regional organ -- one or more countries were afraid that it would not be possible to act with absolute impartiality when (?other OAS states) were involved. Nor was there any desire to take the matter to the Security Council because the superpowers would be involved there. Thus, there is no desire to go to the United Nations. This is one of the basic reasons the Latin American countries took the situation in hand and created Contadora as a Latin American mechanism to maintain an attitude of (?comprehension) and impartiality. This has been Contadora's attitude.

It is not an easy problem; if it were, it would have been resolved a long time ago. Complex factors must be taken into consideration in order to be successful. That is exactly why it has been so difficult for Contadora. However, I believe that a great amount of progress has been made, and we should not forget that basically Contadora has been a dike to contain the conflict. [end recording]

SALVADOR ENVOY DENIES BORDER CLOSED TO PRODUCTS

PA180008 Guatemala City PRENSA LIBRE in Spanish 17 Feb 86 p 2

[Text] Oscar Echeverria, Salvadoran ambassador to Guatemala, yesterday denied that his country has closed its border to Guatemalan products and indicated that El Salvador has only implements several fiscal measures to correct its commercial imbalance. He said these measures are applied to nonessential products from anywhere in the world and are not aimed at Guatemalan producers, from whom El Salvador wants to continue to buy.

He said: Regarding trade with Guatemala, the figures indicate that El Salvador has a deficit amounting of more than 80 million Central American pesos. For this reason, authorities are seeking the necessary mechanisms to correct this within a climate of understanding. He also said: These fiscal measures are similar to those Guatemala has imposed on products from other countries to correct its own economic situation.

The ambassador reiterated that the borders are open and that there is a willingness to talk with the authorities to resolve problems of any kind. He said further: We want to seek formulas to eliminate the imbalance so El Salvador can continue to be the great purchaser of Guatemalan products.

Finally, Echeverria pointed out that he expects the excellent relations between the two countries to continue, as they have so far, in a climate of justice and understanding.

GOVERNMENT MINISTER ANNOUNCES MILITARY OFFENSIVE

PA141403 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Feb 86

[Report on statement by Government Minister Juan Jose Rodil Peralta; date or place not given -- broadcast in progress]

[Excerpts] ...Juan Jose Rodil Peralta, the minister of that sector, announced the details of this operation:

[Begin Rodil Peralta recording in progress]... prevention. The next most important operation we will implement in the near future will be a disarming campaign [campana de despistolizacion] that will be carried out at unprecedented levels. We will do this in Guatemala City, on the roads, and in the cities of the country's interior.

This program will begin within the next 15 days and will be of a permanent nature. It will involve searches of cars, as well as searches of people and pedestrians. We will do this within the limits of the Constitution. We will use systems that will avoid, as much as possible, the creation of traffic jams. We know that this will create inconveniences. In fact, the spot-check system we will use may result in delays for some. At a given time we may stop a driver and he may spend 20 to 25 minutes at the search point because we will be very thorough and cautious in searching vehicles and people for arms and drugs.

In addition, depending on the information we already have on hand, we will ask for pertinent warrants to search all those places suspected of hiding something.

I want to note that, as far as this disarming campaign is concerned, we will use the media to give pertinent information to people so that all those carrying weapons illegally can easily protect themselves by going to the pertinent authorities to request arms permits. [end recording]

Rodil Peralta announced that the police will be reorganized in two stages:

[Begin Rodil Peralta recording] We will reorganize the police in two stages: The first stage using the means available to implement measures that are as comprehensive as possible to stop crime. The second stage consists of a thorough reorganization of the police involving technical programs and financial resources. Anyhow, we are not closed to criticism. It will always be welcome. But we need understanding.

A vicious circle exists. It involves a lack of resources, a lack of technical capacity, and corruption. How do we break this cycle? We broke this cycle on 14 January with a firm political decision that we will change the police. We will put an end to a repressive police system and will replace it with a preventive police. Now, the wheels to get this political decision going involve technical aspects and equipment and this we cannot implement immediately. [end recording]

HONDURAS

AZCONA FAVORS SUSPENSION OF AID TO CONTRAS

PA150350 Paris AFP in Spanish 0258 GMT 15 Feb 86

[Text] Tegucigalpa, 14 Feb (AFP) -- President Jose Azcona today accepted a recommendation by the Honduran workers and peasants demanding the suspension of aid to anti-Sandinist groups "operating from Honduras." Azcona met this Friday with leaders of the Worker-Peasant National Committee of Honduras (CONOCH), who also made other demands concerning employment, agrarian reform, health, education, and human rights.

On foreign policy, and relations with Nicaragua in particular, CONOCH recommended that Honduras "abstain from supporting the counterrevolutionary forces operating from our territory." Likewise, it noted that the Azcona government should "reconsider its diplomatic relations with Nicaragua, on the basis of the principles of non-intervention and respect for its self-determination as a sovereign country."

The leaders also recommended that Honduras "deepen its commitment to the Contadora Group or to any other Latin American initiative intended to promote peace in the region."

After the meeting with the labor leaders, President Azcona said he agreed "100 percent" with the demands of the labor and peasant organizations.

REGALADO VIEWS APPOINTMENT AS COMMANDER IN CHIEF

PA141610 Tegucigalpa Radio America in Spanish 0033 GMT 14 Feb 86

[Interview with Colonel Humberto Regalado, commander in chief of the Honduran Armed Forces, by unidentified journalists outside the National Congress in Tegucigalpa -- live]

[Text] [Reporter] What do you think of the remarks by the deputies last night when they were electing you?

[Regalado] Well, I think we have a deliberative National Congress. This is the result of the democracy that exists in Honduras.

[Reporter] Colonel, the Honduran people have great hopes in you regarding the solution of a number of political and other problems that in some way involve the Armed Forces -- for example, the problem of the approximately 100 missing Hondurans. What plans do you have concerning this?

[Regalado] Well, regarding the missing, the former commander in chief issued a communique explaining the official position of the Armed Forces, which is that anyone who has proof can go, not to the Armed Forces, but to the appropriate courts, and file a request for the individual who might be responsible for this problem. Then, the Armed Forces will immediately place the named member of the Armed Forces at the disposal of the proper courts.

[Reporter] You have acquired a historic commitment with the Honduran people. The professionalism of the Armed Forces must be maintained at the level that has been achieved at this time.

[Ragalado] Yes, the professionalism of the Armed Forces is permanent. If you look back at the history of the Armed Forces, they were born with the country. Year after year, decade after decade, we have evolved, and we are here proud to be a professional army recognized throughout Latin America as a professional organization.

[Reporter] There was great controversy in the Armed Forces regarding the list of candidates for the post of commander in chief. Has the high command really deposited in you all the responsibility and given you power to really command the Armed Forces without tying your hands?

[Ragalado] The leadership of the Armed Forces is very professional. In other words, one does not represent oneself but forms part of a group of men who also deliberate democratically and make their recommendations. Of course, the power of the commander in chief is to make decisions. That power belongs only to the commander in chief. With this I mean that all the decisions made by the commander in chief are the result of the recommendations made by the officers in the institution.

[Reporter] Is the hierarchical order in the Army being lost?

[Regalado] Not at all. The hierarchical order can never be lost.

Our organizational structure is comprised of echelons and hierarchy. For centuries, armed forces have existed in such a way, with lower and higher echelons. The hierarchical order or the organization of the institution cannot be restructured. It is dynamic as all things are, but the organization cannot be broken.

[Reporter] [Words indistinct] fear that you will be ousted like General Gustavo Alvarez Martinez and General Walter Lopez Reyes were ousted, reportedly because of internal struggles for leadership within the Armed Forces?

[Regalado] No, that is not true. If you look at the history of the commanders in chief or the chiefs of the Armed Forces, in 20 or so years we have had six or seven commanders in chief. They have fulfilled their service and in one way or another they have retired. You see that there is a strong military institution ready to fulfill its constitutional duties.

[Reporter] Then it is false that there are divisions within the Armed Forces as has been rumored.

[Regalado] Well, the division in the Armed Forces exists in an operational aspect. The Americans have their essential combat unit, which is called a division. Our (?essential) combat unit is the infantry unit. This is technical military jargon. With regard to internal divisions, there can be no internal divisions in the institution. If you will remember, we have laws that regulate (?our) service in the institution. These are strong laws, such as the military code and the military regulations.

[Reporter] [Words indistinct] is it true that the CIA had something to do with the ouster of Walter Lopez?

[Regalado] Definitely not. We are sovereign people. We Honduran people and, in this specific case, the Armed Forces make the decisions.

[Reporter] [Words indistinct] Gen Walter Lopez Reyes?

[Regalado] He voluntarily resigned the post of commander in chief. He is an officer on active service, and he can come to Honduras whenever he wants.

IMPORTANT CHANGES IN MILITARY LEADERSHIP EXPECTED

PA150408 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 13 Feb 86

[Text] Following the election of the new commander in chief of the Honduran Armed Forces, Colonel Humberto Regalado Hernandez, there will be important changes within the military institution. William Said Speer is to be Commander of the Army, replacing (Guillermo Suman), who will be the chairman of the Joint Chiefs of Staff. Lufty Azzad Matute will be commander of the 1st Infantry Battalion, replacing (Leonel Huedernati), who will become commander of the Public Security Forces.

These changes consolidate the control exerted over the Armed Forces by the 5th Army graduating class [quinta promocion del ejercito], which has now recovered control of the situation after the departure of General Walter Lopez Reyes. Other changes will come in time, but they will not be as significant, becuase the Special Tactical Group will remain under the control of Colonel Leonel Gutierrez Minera, and, a as we said 2 nights ago, the officers of the 6th [as heard] occupy well-deserved positions in which they are demonstrating experience and merit.

U.S. ENVOY'S 'PRESENCE' SAID PERVASIVE

PA141645 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 13 Feb 86

[Neri Artiaga report]

[Text] Yesterday, U.S. Ambassador John Arthur Ferch once again attended a major event in our national life. Coincidentally, the U.S. ambassador does not miss a single major event involving civilians and those having an influence on the military.

The U.S. envoy first visited the presidency and met with President Jose Simon Azcona. He arrived at the Legislative Palace 5 minutes before the National Congress session got underway. He talked to Congress President Carlos Orbin Montoya, as well as to other members of the Congressional leadership. The ambassador was accompanied by U.S. Congressman McCartney [as heard] who is very interested in democracy in Honduras, and is very well known in the United States for his interest in finding soldiers missing in action in Vietnam.

When told that his visit coincided with the election of the commander in chief of the Armed Forces, Arthur Ferch, or reporter Ferch as he calls himself, just smiled, as is his custom when we newsmen ask him questions that we feel deserve an explanation. Regarding the coincidental visit, Carlos Montoya said:

[Begin recording] [Montoya] Well, he is a [word indistinct] congressman. He is well known in the United States for searching for soldiers missing in Vietnam. He chairs a congressional committee. His visit coincides with the election of the new chief of the Armed Forces and there is nothing else to it.

[Artiaga] In sum, there is no implicit message.

[Montoya] None at all. They [not further identified] do not realize that this is a group of congressmen and their advisers from a special committee visiting Central American region. They are leaving tomorrow for Guatemala.

[Artiaga] Mr Montoya, since every time we ask the ambassador this sort of question he just smiles, could you tell us if you and the ambassador discussed the event taking place today -- that is, the election of the new commander in chief of the Honduran Armed Forces?

[Montoya] Not at all. [end recording]

At any rate, in national agreements, in the composition of the National Congress, in agreements made by party blocs, or in the election of the commander in chief of the Honduran Armed Forces, U.S. Ambassador Arthur Ferch's presence is linked to everything that takes place in Honduras.

GEN LOPEZ REYES RETURNS FROM UNITED STATES

PA150130 Panama City ACAN in Spanish 2119 GMT 15 Feb 86

[Excerpts] Tegucigalpa, 15 Feb (ACAN-EFE) -- General Walter Lopez Reyes, former commander in chief of the Honduran Armed Forces, returned today to this capital from the United States. A private jet landed at noon today at Toncontin International Airport carrying the general, his wife Miriam, and their two small sons.

There was speculation that the CIA had intervened in Lopez Reyes' resignation. "That is not true," Honduran President Jose Azcona Hoyo said, "Gen Lopez' return today is the best proof of this."

Lopez Reyes said: "Whenever a top-ranking military officer from any country resigns there is always speculation and a lot of unfounded rumors." He said he is glad to be back in his country and as of this moment he is at the service of the president and the new chief of the Armed Forces, whom he considers "a well-trained officer with qualifications to occupy that post." He said he might be appointed to the Armed Forces Advisory Committee.

He also said he is pleased to know that the workers and peasants have submitted a plan to the Armed Forces to improve the agrarian reform process and that they have offered their support to the military institution.

He denied U.S. newspaper reports commenting on the reasons for his resignation and the CIA's role in it.

BORDER AGREEMENT SIGNED WITH EL SALVADOR

PA151913 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Feb 86

[Excerpt] Honduran Foreign Minister Dr Carlos Lopez Contreras and his Salvadoran counterpart Rodolfo Claramount have signed a special agreement, treaty, or accord for the demarcation of the Honduran-Salvadoran border. Upon his arrival at Toncontin Airport yesterday, the foreign minister explained to "HRN" [call sign for Voz de Honduras] and the Honduran people what the accord is all about.

[Begin recording] [Lopez] Actually, this is a simplified, executive accord that aims to execute or finalize pending demarcation in keeping with the General Peace Treaty, that is, the seven sections that were delimited in accordance with Article 16 of the General Peace Treaty.

Unfortunately, within the 5-year time limit not all sections were demarcated; only approximately 72 km in the seventh section were demarcated. We must finalize that demarcation. Therefore, we thought it was necessary to sign this accord to save the markers already in place and to conclude the remainder. That is the scope of this agreement; it has nothing to do with delimitation. It only involves the technical and material functions of demarcation.

[Unidentified reporter] Mr Foreign Minister, what is the scope or validity of this treaty?

[Lopez] I repeat: This is for the strict, specific function of demarcation; it has immediate validity and will be indefinitely in force until the actual demarcation of the border is concluded.

[Reporter] Mr Foreign Minister, does the accord signed in San Salvador have any repercussions for positions adopted by Honduras and our neighboring country when they appear before the International Court of Justice at The Hague?

[Lopez] It has no repercussions for the positions of the two states regarding appearances before the International Court of Justice. On the contrary, the agreement expressly states that it does not make any change in the treaty. Therefore, the option to go to the court is open. According to the General Peace Treaty we are now within the 6-month period for negotiations on the commitment to resort to that court.

NICARAGUA FREES FISHERMEN HELD SINCE 1985

PA150323 San Pedro Sula TIEMPO in Spanish 11 Feb 86 p 3

[Press release issued by the Foreign Secretariat in Tegucigalpa; dated 10 February]

[Text] The Honduran Foreign Relations Secretariat informs the national public that on Friday, 7 February, the Nicaraguan Government released 21 seamen who were crew members of the vessels Mis Collen and Sterkling. Their names are as follows:

Mimis Collen [name as published]: Jeronimo Fernandez, Leoncio Martinez, Siriaco Alvarez, Marco Tulio Alvarez, Ovino Castillo, Orlando Figueroa, Catalino Aranda, and Emilio Diaz.

Sterkling: Roy Wood Jr (captain), Jimmy David Godfrey, Lino Alvarez, Francisco Martinez Hernandez, Carlos Lizon, Carlos Holin, German Martinez, Williams Aquino, Izac Manaiza, Luis Green, Victor M. Avila, Flavio Suzzo A, and Francisco Ramirez.

The men were released at the Zona Franca Penitentiary Center, in the city of Managua, by an officer of Central American Affairs of the Nicaraguan Foreign Ministry. They were released to the adviser and consular charge d'affaires of our diplomatic mission in Managua.

The fishermen were released in fulfillment of a promise made by the Nicaraguan vice president, Dr Sergio Ramirez Mercado, during his visit to Honduras to take part in the swearing-in of President Azcona Hoyo, and as a result of fruitful efforts made by the Foreign Ministry since 7 June 1985.

Tegucigalpa, 10 February 1986; Information and Press Directorate, Foreign Relations Secretariat

NICARAGUA

D'ESCOTO PROTEST ON U.S. ENGINEERS IN COSTA RICA

PA150347 Managua Domestic Service in Spanish 0303 GMT 15 Feb 86

[Text] Foreign Minister Miguel D'Escoto Brockman sent a message today to the foreign ministers of the Contadora Group and of the Support Group voicing most serious concern over the U.S. decision to send 180 [number as heard] military engineers to Costa Rica. We now read the message of the Nicaraguan foreign minister:

Managua, 14 February 1986; Mr Minister:

I have the honor to address your excellency in order to express the Nicaraguan Government's most serious concern over the U.S. Government's decision to send 180 military engineers to Costa Rica, something which increases tension in the area and again mocks the efforts being carried out by the Contadora Group and the Support Group to achieve peace in the Central American region.

As you well know, the Caraballeda declaration approved by all the Central American countries clearly specifies the need to adopt actions that will promote reciprocal trust among the Central American countries.

This has the purpose of creating an atmosphere that will allow the Contadora Group and the Support Group to progress in their work of seeking peace in Central America.

To this effect, the action of sending U.S. militarymen to Costa Rican territory contradicts the spirit and the letter of the Caraballeda declaration, while it tries to overshadow the Nicaraguan efforts for achieving a normalization of relations with Costa Rica, with a view to contributing to peace in the region.

The Nicaraguan Government sincerely hopes that Costa Rica will be able to enforce the policy of neutrality proclaimed by President Luis Alberto Monge, as this would represent a substantial contribution to peace in the region and a continuous source of confidence that would allow our mutual relations to develop further.

To conclude, Mr Minister, our government wishes to emphasize that this new U.S. measure undoubtedly ratifies the U.S. Government's rejection of the Caraballeda document and is in line with the policy recently announced by President Ronald Reagan of continuing to finance the war of aggression against our country. Such a stand was announced when the foreign ministers of the Contadora Group and of the Support Group were still in Washington. I avail myself of this opportunity to reiterate to your excellency the testimony of my highest consideration.

[Signed] Miguel D'Escoto Brockman, foreign minister.

D'Escoto Deputy Comments

PA142103 Managua Radio Sandino in Spanish 1930 GMT 14 Feb 86

[Text] Acting Nicaraguan Foreign Minister Jose Leon Talavera has warned that the increase of U.S. militarymen in Costa Rica might overshadow the important step in normalizing relations between the two nations. Leon Talavera made the statement when it was learned that 180 U.S. military engineers will be sent shortly to Costa Rica at the same time that Managua and San Jose had decided to settle their differences over a border conflict that took place last year.

The acting foreign minister said that Washington's attitude is in contrast to the Caraballeda appeal made by the Contadora and Support Groups, which are demanding the elimination of foreign military from the area. It is not by mere chance, he said, that the Pentagon's decision coincides with the meeting of the Contadora Group and of the Central American plenipotentiary delegate meeting that opened today in Panama. Local political sources from both the government and the opposition reacted favorably to the announcement that Managua and San Jose had normalized their relations.

ORTEGA VIEWS 1986 GOALS, ECONOMIC POLICY

PA161913 Managua International Service in Spanish 0000 GMT 16 Feb 86

[Text] Daniel Ortega Saavedra, Nicaraguan president and commander of the revolution, has stated that the people's mobilization toward productive goals and the defense of their standard of living are vital elements in the military defense. He made this remark when announcing economic goals and policies for 1986 in a work session held with the cabinet, the Sandinist Assembly, and the mass organizations. He also stressed that, in order to defeat the mercenary forces, the country must meet the material demands of military defense, guarantee the basic infrastructure of production, and make greater efforts to increase exports.

In conclusion, the chief of state asserted that although the aggression is forcing us to develop an economy of survival, state agencies must increase their administrative efficiency and support budget efforts.

FOREIGN MINISTRY COMMUNIQUE ON CONTRA AMBUSH

PA172024 Managua Radio Sandino in Spanish 1930 GMT 17 Feb 86

[Text] The Nicaraguan Foreign Ministry has denounced to the world the criminal counterrevolutionary ambush carried out against a group of mothers and young people 15 km from Somotillo. When the Foreign Ministry issued the communique, Mrs Candida Rosa Castellon had not died. She died later at the Mauricio Abdala Hospital, in Chinandega.

[Begin recording by unidentified speaker] The Nicaraguan Foreign Ministry hereby informs the international community of the following events: Yesterday, 16 February of this year, at 2040, a group of mercenaries at the service of the U.S. Government entered Nicaraguan territory from Honduras and ambushed a civilian station wagon belonging to the project called (Siunorte), in the area known as Rancho Grande, 15 km northwest of Somotillo.

Four civilians, including a Swiss agronomist who had been working with the cooperatives of the area, were murdered in this action. Thirteen civilians, including three children under one year of age, were wounded in this attack.

The Nicaraguan Government denounces the U.S. Government and holds it responsible for these truly terrorist actions being carried out under the direction of the CIA, actions that have again resulted in death and harm to the physical integrity of innocent civilian citizens, including children. These crimes, in line with the objective of directly attacking the civilian population to sow terror and unrest in the area, once again make clearly evident the criminal nature of the mercenary forces that the U.S. Government has created to attack Nicaragua.

This action is a product of the state terrorism policy that the U.S. Government is implementing and represents a flagrant violation of the human rights of the Nicaraguan people and civilian volunteers from other parts of the world. It makes evident the brutal nature of the war of aggression being waged against Nicaragua as well as the irrationality of the policy of the U.S. Government of asking for new funds to give military aid to these terrorist groups that, unable to make any headway in the military field, dedicate themselves to attacking civilian objectives and to murdering defenseless persons.

Managua, 17 February 1986

We have read a communique denouncing the murder of four civilians, including a Swiss agronomist who was working in the cooperatives near the Rancho Grande sector. There were 13 civilians wounded, including three children under one year of age. Thank you, companeros. [end recording]

COLOMBIA'S OCAMPO CRITICIZES U.S. AID TO REBELS

PA141505 Managua Radio Sandino in Spanish 0000 GMT 12 Feb 86

[Text] Colombian Foreign Minister Augusto Ramirez Ocampo said today in Washington that if the United States steps ups its military aid to the counterrevolution, it would deal a death blow to the Contadora Group. President Reagan's plan to obtain more aid for the counterrevolution violates international law and hinders peace, the minister added.

Ramirez revealed in Washington today that foreign ministers of the Contadora and Lima [support] groups yesterday clearly warned Secretary of State George Shultz that granting aid to counterrevolutionaries attacking Nicaragua is a direct action against the principles of the Caraballeda document.

The U.S. President today reaffirmed that his administration will do everything possible to obtain more financial aid for the Somozist counterrevolution. In an interview appearing today in THE WASHINGTON POST, Reagan maintains that economic and military aid is urgently needed for the Somozist counterrevolution. A Contadora Group source commented that such a statement by Reagan, when the foreign ministers of the Contadora and Lima groups are still in the United States, is a slap in the face to their efforts, which is peace. When he read the U.S. President's statement, Colombian Foreign Minister Augusto Ramirez Ocampo said that, without a doubt, this attitude goes directly against the peace spirit of the Caraballeda declaration.

REPORTAGE ON POLITICAL PARTIES' CONFERENCE

Statement Issued

PA141600 Managua Radio Sandino in Spanish 1200 GMT 11 Feb 86

[Excerpt] Caribbean and Central American organizations support Nicaragua's struggle. The second meeting of the anti-imperialist organization of the Caribbean and Central America has condemned the U.S. policies of state terrorism, relentless military and economic aggression, threats of direct military intervention, and attempts to topple the legitimately elected Government of Nicaragua.

This organization, which includes 43 delegates representing 30 organizations from 18 countries, issued a declaration last night. Rafael Fafa Taveras, president of this organization, unveiled the declaration today. The conference of political parties and organizations spoke out against any U.S. attempt to militarily intervene in Haiti. Moreover, it celebrated the removal of the tyrant Duvalier by the Haitian people, considering that democratization in Haiti calls for respect of sovereignty, and the right of political exiles to return freely.

The delegates to this meeting condemned the IMF policies which seek to impose economic dictates on the area countries, and the developing countries in general, in order to benefit the great international capitalists. The delegates expressed their support of the struggle of the Salvadoran and Guatemalan people, and demanded an end to human rights violations in Central America and the Caribbean.

On 27 February, the Caribbean peoples will mobilize to protest the foreign debt. Yesterday, Rafael Fafa Taveras president of the anti-imperialist organization of the Caribbean and Central America, announced that on 27 February, the Caribbean and Central American peoples will stage a mass demonstration against the foreign debt. Taveras, who is attending the second Latin American and Caribbean political conference highlighted the importance of the conference because the United States plans to intervene in Nicaragua and Haiti.

Peace Brigades Suggested

PA140408 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] The Conference of Latin American and Caribbean Political Parties has asked the Nicaraguan Government to grant the right to establish a Latin American brigade for peace and against intervention that would provide peaceful solidarity and embody the struggle for peace in Latin America.

This request was made last night by Andres Pascal Allende, of the Movement of the Revolutionary Left, MIR, of Chile, who warned that if the United States decides to invade Nicaragua, the peace brigades will become combat brigades to defend Nicaraguan sovereignty. Moreover, Allende asked the political delegations to carry out mass mobilizations and campaigns to obtain economic and material support for the reconstruction of Nicaragua, which is facing an economic crisis at present as the result of U.S. military aggression.

FARC Promises Support

PA140355 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] Colombian guerrilla commander Jaime Guaraca said yesterday in Managua during his speech at the second plenary session of the Conference of Latin American and Caribbean Political Parties For Peace and Against Intervention in Central America, that if the United States attacks Nicaragua directly, the truce in Colombia will end. On behalf of the general staff of the Revolutionary Armed Forces of Colombia, FARC, and of thousands of fighters grouped on 27 fronts, he extended a very cordial greeting to the Nicaraguan Government and people. Guaraca added that the Colombian people are attentively watching what is happening in Central America, because Latin America's right to autonomy will be determined in this area. A message signed in the Colombian mountains by Manuel Marulanda Velez, commander in chief of FARC, and the other members of the secretariat of the guerrillas' general staff, adds that if Nicaragua achieves self-determination and respect for its sovereignty, it will be a good sign for all of Latin America.

KISAN ACCUSES SANDINISTS OF USING CHEMICAL WEAPONS

PA171250 Panama City ACAN in Spanish 1930 GMT 16 Feb 86

[By Armando Cerrato]

[Text] Tegucigalpa, 16 Feb (ACAN-EFE) -- The main anti-Sandinist Indian organization today accused the Nicaraguan Army of using chemical weapons. The Council of the Elders of Kisan [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] charged that the Sandinists have bombed areas near the Prinzapolka Rivera, near the Nicaraguan Atlantic coast, with incendiary and toxic chemicals. Kisan is the new name that groups the 4,000 anti-Sandinist indigenous fighters that were grouped under the acronym of Misura [Miskitos, Sumus, and Ramas] until 1985, and who are fighting mostly in the northern and central part of the Nicaraguan Atlantic area.

The rebel organization points out that one of the bombs fell in the water releasing a yellow substance that killed thousands of fish. "These waters that are now contaminated by the Sandinists," the Kisan communique added, "were being used not only by the warriors of our organization, but also by the permanent residents of the area." The Nicaraguan Indian elders estimate that approximately 150 persons were killed in the recent Sandinist bombings in various villages. Kisan described the actions of the Air force of the Sandinist People's Army as "barbaric genocide" because "after the planes and helicopters bomb the area they return to indiscriminately machine-gun the fleeing residents."

The Indian organization also charged that over 1,000 persons have entered Honduras during the last week of February [as received], seeking refuge and fleeing from the Sandinists, "who insist on commiting racial genocide," according to Kisan. The communique adds that the organization has reported these charges to the OAS through its Human Rights Commission. It also said that it has requested that the U.S. Congress and President Ronald Reagan send humanitarian aid, and it has requested that several Christian organizations in Nicaragua and Honduras help the refugees.

Kisan was founded to replace Misura in 1985 after expelling military chief Steadman Fagoth Muller from its ranks, charging him with trying to take over the entire organization from the Council of the Elders. The organization includes Miskito, Sumu, and Rama Indians and the Creole population of the Atlantic Coast of Nicaragua. There are 18,000 Nicaraguan Indians who are refugees in the Honduran Mosquitia, bordering with Nicaragua.

SUPREME COURT TO RULE ON RADIO CATOLICA APPEAL

PA141635 Managua EL NUEVO DIARIO in Spanish 13 Feb 86 p 6

[Text] The appellate court of Region No. 3 (Managua) admitted over the weekend the appeal filed by the owners of Radio Catolica after the station was closed for an indefinite period for flagrantly violating orders from the Communications Media General Directorate. As can be recalled, Radio Catolica, which is managed by Father Bismarck Carballo, spokesman for the archbishopric, adopted a rebellious attitude on 31 December 1985. The station refused to obey the order from the media directorate to broadcast the new year message on the radio network, which was created for that purpose. The writ of appeal has been sent to the Supreme Court of Justice, which will issue a ruling in the next few days.

FURTHER REPORTAGE ON THIRD PCC CONGRESS ACTIVITIES

Bulgaria's Aleksandrov Speech

AU082120 Sofia RABOTNICHESKO DELO in Bulgarian 6 Feb 86 p 5

[Speech by Chudomir Aleksandrov, member of the Politburo and Central Committee of the Bulgarian Communist Party [BCP], to the Third PCC Congress at Havana's Palace of Conventions on 5 February: "Common Goals and Ideals -- Greetings of the BCP Central Committee to the Third Congress of the Communist Party of Cuba"]

[Text] Dear Comrades,

With feelings of joy and deep satisfaction I carry out the instructions of the BCP Central Committee and of its General Secretary Comrade Todor Zhivkov, personally, to convey most cordial greetings to you, the delegates and guests at the Third PCC Congress, and to transmit to you the warm fraternal greetings and good wishes of the communists and workers of the People's Republic of Bulgaria.

Our presence among you during the days of this high forum is an expression of our party's and people's respect and admiration for the remarkable achievements which socialist Cuba has recorded under the leadership of its glorious Communist Party. It is an expression of our solidarity with the fearless and steadfast Cuban people.

Your congress is an event of vast significance for the further comprehensive advance of the Cuban revolution, which has transmitted the flame of the Great October Revolution to the American continent. This is a congress of a party inseparably linked with the fate and fighting traditions of its people, a party which consistently applies in its daily practice the great Marxist-Leninist teachings and which unyielding stands on the principles of proletarian and socialist internationalism.

We have listened with great attention to the report of the PCC Central Committee presented to the congress by Comrade Fidel Castro. It contains a profound and critical analysis from Marxist-Leninist positions of what has been achieved and outlines the main goals in the party's forthcoming activities.

The well-founded speeches of the delegates, the prospects opened in the documents discussed, and the realistic approach toward the problems of socialist construction are vivid evidence of the maturity of the party of the Cuban communists and of its cadres and members. There is no doubt that the directions of Cuba's socioeconomic development during the 1986-90 period are a sure landmark for the country's further socialist progress.

The balance sheet drawn up by the congress once again convincingly demonstrates the advantages of the new path which Cuba was the first to choose among the peoples of the New World -- the path of socialism. The testament of Jose Marti for the building "by all and for the good of all" of a "united, cohesive, and humane motherland" has been truly implemented by modern Cuba, which has exceeded the boldest dreams of its thousands of fighters for national and social liberation.

This is a great historical service of the PCC led by Comrade Fidel Castro, universally recognized leader of the Cuban revolution and prominent figure of the international communist and workers' movement. It is a service of the selfless Cuban people, rallied around their communist vanguard.

By their self-sacrificing labor the people broke out of the captivity of poverty, illiteracy, and injustice and ensured the fast and comprehensive development of their native land, defended their achievements with their bodies, and today do not bow their heads before the difficulties or before the unceasing threats and provocations of imperialism.

By its consistent high-principled policy of peaceful cooperation in Central America and throughout the world and by its contribution in the struggle for lessening international tension and preventing the risk of thermonuclear war, Cuba has earned the immense respect of all progressive and democratic services. Its active role in the Nonaligned Movement and energetic actions to solve as a matter of urgency the problem of the developing countries' foreign debts are raising its international authority still higher.

The BCP and the Bulgarian people take joy that they possess in fraternal Cuba a faithful comrade and adherent to shared views in our common struggle against imperialism and war, for peace and socialism. We are glad that our parties, countries, and peoples are linked by a sincere and unbreakable friendship and are bound together by common goals and ideas. On the basis of the principles of Marxism-Leninism and socialist internationalism, Bulgarian-Cuban relations are continuously deepening in all areas of life, are promoting the drawing together of the millions of people of our two countries, and are contributing toward multiplying our successes in socialist construction. The joint activity of Bulgaria, Cuba, and the other socialist countries in CEMA is an example of how true international cooperation can serve every people and raise the might of socialism to new heights.

Allow me to repeat the words of Comrade Todor Zhivkov, who said: "The comprehensive interaction between the People's Republic of Bulgaria and the Republic of Cuba is a cause of two peoples who know the value of fraternal solidarity and internationalism, of friendship and unselfish brotherhood, and for this reason it has a sure future and cloudless prospects."

Our friendship is also rich by virtue of our fraternal unity with the great Soviet Union, which is the chief supporter of peace and security in the world and of all peoples who are striving toward the bright ideals of freedom, social equality, and human progress. Like the Cuban people, the Bulgarian people give a high assessment to the vast experience of Lenin's native land in the building of the new order and will continue in the future to strengthen their friendship and comprehensive cooperation with the USSR for the further consolidation and unification of the socialist community and for the triumph of our common communist cause.

Dear Cuban Comrades, for the Bulgarian communists and also for the entire Bulgarian people, this year is one for balancing accounts. In Sofia the 13th BCP Congress will soon be held, which will impart a fresh revolutionary impulse to the further socialist construction of Bulgaria. We are preparing for this great event with a feeling of satisfaction with what has been achieved and with optimism for the future. In spite of the severe consequences of the prolonged drought in the last 2 years, the Eighth 5-Year Plan was overfulfilled. Strong and proud of their achievements, the Bulgarian people are united and cohesive around the Leninist April line of the BCP, led by Comrade Todor Zhivkov, and are successfully carrying out the BCP's outlined designs. Even the most vicious anticommunist slanders and anti-Bulgarian campaigns of imperialism are not capable of impairing our homeland's international prestige.

Now our efforts are directed at ensuring dynamic economic development on the basis of the accelerated introduction into practice of scientific and technological progress, the intensification of production, and raising quality in all activities in order to further raise the material and spiritual level of the workers. We see the guarantee for our continuous advance in the fulfillment of these tasks.

Dear Comrades, in the past years the world has been living in an exceptionally complex and alarming situation. The continuing arms race, for which imperialism is responsible, and the attempts of the militaristic circles in the United States to extend the arms race into space increase the threat of thermonuclear war and are becoming an ever heavier burden for nations. This fact brings to the forefront the fight for preservation of peace, for not permitting the arms race in space and for halting it on earth, and makes this fight a cardinal issue of the day.

In the front ranks of this struggle stand the USSR and the other Warsaw Pact member states, the peaceful initiatives and proposals of which are in accordance with the interests of all peoples throughout the world. Our united course in foreign policy was confirmed at the conference of the Political Consultative Committee held on 23 October 1985 in Sofia.

At the beginning of the International Peace Year declared by the United Nations Organization, the Soviet Union once more set an example of consistency, high responsibility, and of a realistic and global approach toward implementing the agreements reached at the Soviet-American summit meeting in Geneva. The new all-embracing peace initiatives set out in the 15 January 1986 declaration of Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, once again prove in an incontrovertible manner the USSR's unshakable will to promote by concrete actions an improvement in international relations and a strengthening of political trust. These initiatives indicate real paths for progress in the negotiations on disarmament, for moving toward complete elimination of nuclear weapons, and for building a world without wars. For the attainment of these aims, well-intentioned actions of response are needed on the part of the United States. Joint efforts are needed for all who hold peace and a secure future dear.

The BCP and the Government of the People's Republic of Bulgaria welcome and unreservedly support the proposals contained in this exceptionally important document, which represents a real and constructive program for an active struggle in the name of peace. We will continue in the future to do everything within our power for the elimination of the risk of thermonuclear war, for disarmament, for the establishment of trust and cooperation between peoples, and for solving the global problems of mankind.

Remaining true to its international traditions and to the legacy of Georgi Dimitrov, the great son of the Bulgarian people, the Bulgarian Communist Party declares its constant solidarity with the peoples of Asia, Africa, and Latin America who are fighting against imperialism, neocolonialism and reaction, and racism and apartheid for liberty, social justice, peaceful and independent development, democracy, and social progress. We declare our solidarity with the struggle of the Nicaraguan people in defense of their revolutionary achievements, with the fight of the patriots in El Salvador, and with all progressive forces in Chile, Paraguay, and Haiti.

I would like once again to assure you, dear Cuban brothers, that we will always be alongside you -- in your inspired work to implement in practice the decisions of the Third PCC Congress, in your firm defense of your socialist present, and in your confident progress toward the bright communist future.

We believe in Cuba, we believe in the creative and constructive energy of its bold and freedom-loving people, and we believe in the fighting capacity and mobilizing power of the Communist Party of Cuba.

Cuba has won a victory. Cuba is alive and will be victorious!

Glory to the Communist Party of Cuba -- inspirer of the historic achievements of the people of the island of liberty!

Long live the fraternal, indestructible Bulgarian-Cuban friendship! Long live peace and communism!

Venceremos!

SRV, Burkina Faso Delegates Depart

FL141630 Havana Radio Progreso Network in Spanish 1200 GMT 14 Feb 86

[Text] Politburo member Commander of the Revolution Juan Almeida Bosque has seen off at Jose Marti Airport Nguyen Van Linh, Political Bureau member and Ho Chi Minh City first secretary of the Communist Party of Vietnam, who was a guest at the party congress.

Blaise Campaore, member of Burkina Faso National Revolutionary Council, minister delegate of the presidency, and justice minister, also has departed. He was seen off by Politburo member Jorge Risquet and alternate Politburo member Ulises Rosales del Toro.

Guinea Bissau's Vieira Departs

FL151354 Havana Radio Progreso Network in Spanish 1200 GMT 15 Feb 86

[Text] Army General Raul Castro, second secretary of the PCC, has accompanied to the airport Division General Joao Bernardo Vieira, secretary general of the African Party for the Independence of Guinea Bissau and Cape Green and president of Guinea Bissau.

Politburo members Jorge Risquet and Osmani Cienfuegos also accompanied the African leader to the airport, who was attending the Third PCC Congress.

CHURCH OFFICIALS ARRIVE FOR CATHOLIC CONFERENCE

Madrid Cardinals

FL171858 Havana Television Service in Spanish 1800 GMT 17 Feb 86

[Text] Cardinal (Eduardo Pironio), President of the Pontifical Lay Council, and Monsignor Carlos Amigo Vallejos, archbishop of Seville, arrived last night from Madrid to participate in the ecclesiastical meeting that began this morning in our captial city.

The ecclesiastics were received at Jose Marti International Airport by Jose Felipe Carneado, chief of the Office of Religious Affairs of the Central Committee of the Communist Party of Cuba, Monsignor Jaime Ortega, archbishop of Havana, Monsignor Dario Castrillon, secretary of the Latin American Bishops Conference (CELAM), other members of the Cuban bishops conference, and the Papal Nuncio in Havana, Mr. (Julio E. Inaudi).

Conference Opens

PA180325 Havana International Service in Spanish 0000 GMT 18 Feb 86

[Text] On Monday, the meeting of Cuba's national church opened in Havana with delegates in attendance from all over the country. The conference seen as the culmination of a process of reappraisal of the church's position regarding the nation's social reality. Let us now listen to the work done in this respect by Companera Barbara Bethancourt. Barbara, the microphones of the "Evening News Review" are all yours.

[Bethancourt] Indeed, friends. As our anchorman correctly said, the meeting of Cuba's national church opened here on Monday. Prior to this meeting, Msgr Carlos Manuel de Cespedes, secretary of the Cuban Episcopal Conference and vicar general of the diocese of Havana, talked with local and foreign newsman about this event.

[Begin De Cespedes recording] The church meeting, the working document which the delegates have studied, which is the fruit of the seven diocesan meetings of last year, and the final document [documento conclusivo], that will emanate from this church meeting, do not seek to exhaust all topics concerning the life of the Catholic Church in Cuba. They refer only to the situations that have been regarded as most important, in our opinion; that is, all those requiring particular reflection.

Even these very same realities that have been broached may be enriched through reflection and the subsequent life of the church in Cuba, which will continue after the church meeting.

It is worth making this final clarification: The church meeting has no legislative value insofar as the Catholic Church is concerned. It is a meeting of a pastoral and consultative nature. Without a doubt, the final document will have a high value as a source of ideas [cantera]. The Episcopal Conference is the one that is called upon to determine the pastoral priorities that the Catholic Church will adopt in Cuba. However, the conference cannot disregard this event or the document that will emanate from it. [end recording]

[Bethancourt] Msgr Carlos Manuel de Cespedes also referred to certain developments that show the improvement of relations between the church and the Cuban state.

[Begin De Cespedes recording] I think that the fact that Dr Fidel Castro made a positive assessment of the Christian presence in Latin America is important. I also view as important, referring now to Cuban domestic affairs, that there is a better understanding of the religious fact [hecho religioso] and of religious people in Cuba's society, which will evidently facilitate all types of dialogues and mutual understanding among our people.

It is important to note that at the beginning of this process, which we have come to call Cuban Church Reflection [Reflexion Eclesial Cubana] , REC, within which the church meeting is an important event, we did not think or have in mind at that time, 7 years ago, the coincidence -- which from a standpoint of faith I would describe as providential -- of the church meeting with certain developments in the life of our country that have facilitated or been geared to the direction of this dialogue and this understanding.

We have, for example, the meetings that, as is known, have been held recently by the bishops and the country's highest authorities; the appearance of Fray Beto's book together with the interview with Dr Castro about religion; as well as this more positive assessment of religion in general by the Third PCC Congress. [end recording]

[Bethancourt] Regarding the difficulties that certain Cuban religious men may have experienced during these last few years because of their pursuit of their faith, Msgr de Cespedes said the following:

[Begin De Cespedes recording] Regarding this topic, this is a reality which Dr Castro broached himself during his interview with Fray Beto. He admitted that even though the Cuban legislation precludes any type of discrimination with regard to believers or any other category of people, in fact, and for historical reasons, there have been instances of discrimination in Cuba throughout this whole revolutionary process. In the book (?on) his interview with Fray Beto, Castro expresses his will -- and not only his will, but that of the Cuban Government -- that this be eliminated. And he says -- and I think that he correctly says so -- that this is because of ethical and aesthetic reasons. In other words, this involves an ethical problem, but there is also a problem of a broad understanding of the revolutionary aesthetics. In other words, he has clearly expressed his views in this regard.

To delve further on your questions, I also think that although this is a real, evident fact in the history of Cuba of these last few years and also that this is a complex fact, we cannot judge in a Manichean manner, placing the full responsibility on one side. One must know how to look at the nuances [matizar] of all of these historical situations. I also think that the trend in the last few years has been along the line of not increasing discrimination. On the contrary, the line has been to diminish these problems. [end recording]

Church Sees Dialogue as 'Valid'

PA162039 Madrid EFE in Spanish 1300 GMT 16 Feb 86

[Excerpts] Havana, 16 Feb (EFE) -- The Cuban Catholic Church acknowledges in a document that will serve as basis for the next National Ecclesiastical Meeting that "the steps recently taken offer the hope of a constructive dialogue" between that country's church and state. It also predicts that this dialogue "may have profound repercussions on our mutual relations."

Despite acknowledging dialogue as the "valid path" chosen to fulfill the church's inclinations, it admits that not all its members are ready for this dialogue.

The Cuban Catholics' "working document" indicates that "it is the task of the church in Cuba to find the suitable means to bring about the dialogue which, in the name of the love and universal saving will of God, we must strive to establish."

In the section entitled "The Cuban Catholics and the Socialist State," it notes that "in the face of atheistic and secular systems, the church proposes dialogue as the means to solve the problems that differing concepts of the world and of man might present." It adds that the church in Cuba, "through its hierarchy and clergy in general, as well as through its most committed laymen, has tried to find the paths leading to a dialogue between Catholics and Marxists." On the subject of the Church's inclination to dialogue, the study, which makes a historical review of evangelization in Cuba, presents the situation of Catholics in the country, the options for the future, and a detailed and lengthy agenda and says: "The Church is not moved by a proselyitzing spirit, but merely wishes to contribute to the common good of all our people."

It insists that it "does not seek privileges, but instead wishes to have, more and more every day, the possibility of serving the Cuban people under equal conditions as nonbelievers, because just as being believers should not lead to personal advantages in society, neither should being nonbelievers."

The document stresses that "Cuban Catholics are not satisfied with merely surviving. Today we face the huge task of rethinking and assuming a responsiblitiy for our past, acknowledging our mistakes, transforming our pastoral structures, and renewing our faith in order to fulfill the Church's secular evangelization mission."

It asserts: "The Church in Cuba today lives under a sign of hope and the conversion to Christ, master of history, wishing to be a sign and sacrament of communion for the entire Cuban people."

The National Ecclesiastical Meeting, slated for 17-23 February, will gather 181 delegates, 25 percent of whom are priests and other church people, while the remaining 75 percent are laymen.

Church Leaders' Remarks

PA162210 Hamburg DPA in Spanish 1925 GMT 16 Feb 86

[By Juan Carlos Salazar]

[Text] Havana, 16 Feb (DPA) -- The opening of Fidel Castro's government to the Catholic Church is a process of detente that began 3 years ago and that is removing the veil of taboo that was covering religion. The faithful are returning to the churches, which had been empty for many years, and the Church hierachy is moderately optimistic about a new era of cooperation.

The archbishop of Havana, Msgr Jaime Ortega, told DPA that the Cuban Church has recently passed from the stage of survival to the state of coexistence with the socialist state. The secretary general of the Bishops Conference, Msgr Carlos Manuel De Cespedes, feels that "there is not an ideological loosening of the system, but rather a greater economic pragmatism and greater understanding in the cultural and religious aspects."

The Cuban hierachy largely attributes this opening to the political needs of President Fidel Castro, who in recent months has taken significant steps to this effect. Last year, he authorized a meeting between Cuban and U.S. bishops in Havana, and he met twice with the local hierarchy to analyze common problems. He has also invited Pope John Paul II to visit Cuba, and he is expected next year.

Msgr Ortega said that there "are several reasons for this opening." He added: "Fidel is, above all, a politician, but he himself says he has more than political reasons for taking a new approach to the religious issue, adding that he has ethical and aesthetic reasons, because the revolutionary work would not have been done well if there was a subtle discrimination against Christians." Msgr De Cespedes said that in addition to the political reasons Castro has -- such as "improving his image in Latin America" -- there are personal reasons. "At 60, every man tries to bring his life together, to solve the jigsaw puzzle of his life, and it is normal for him to try to bring a religious factor into his life." The prelate then referred to the Catholic education Castro received as a young boy in a Jesuit school. "However, I also think there is an evaluation of the religious phenomenon," he added.

The Cuban leader recently explained his viewpoints on the subject in an interview with the Dominican Brazilian priest Fray Beto, who published a book that has sold 600,000 copies in Cuba.

"It is a positive book, said Msgr Ortega, because "it brought the subject of religion out of the seclusion to which it has been consigned and removed all the myths surrounding the subject in Cuban society."

The Church-state relations were difficult in the first years of the revolution. "At first, there was a national agreement and the Church supported the revolutionary movement, but the revolution quickly became more radical and the confrontation did not take long to occur," Msgr Ortega recalled. The church was accused of being counterrevolutionary. Many priests were expelled and others voluntarily left. The number of priests droppped from 800 to 210. Only 102 Cuban priests have been ordained in the last 12 years.

The social proposals of the Vatican Council II and of the Medellin Conference in the Sixties influenced the Cuban Church and state and made possible the rapprochement. "In the Seventies, we began a new path, no longer for surviving, but for coexisting. Recent years have been a state of peaceful coexistence," said the archbishop of Havana.

Msgr De Cespedes said that in recent years, the Cuban government has understood the religious phenomenon better; and the Church has understood the revolution better. The Church is claiming today as Christian ideals many of the social achievements of the revolution.

"I am referring mainly to its real concern over meeting the vital needs of the poorer people, to its real desire for social justice. I am thinking of the peasants, of the people who live in the slums. The revolution was positive for them, because they wanted justice. To this effect, I think there is a concurrence between Christian ethics and revolutionary ethics," he emphasized. When asked a specific question, Msgr De Cespedes said that the Cuban regime "respects basic human rights, the rights to life, although obviously there is no freedom of expression or association." The prelate added: "I am not a Fidelist, but judging from his latest actions, I cannot imagine that Fidel Castro is the Devil personified."

Last year the government and the Church began a series of meetings to discuss their problems. "It is a dialogue where problems were discussed clearly, without evasion, without polemics or diplomacy," said Msgr Ortega. Only two meetings have taken place so far -- on 8 September and 12 November -- and a third meeting is expected following the National Ecclesiastical Meeting to be held next week in Havana.

The expectations of the Church in these talks are linked, in the first place, to a more objective understanding of the religious phenomenon of the part of the government. "Castro can create an atmosphere of confidence that allows the believers to develop a normal religious life," said Msgr De Cespedes.

The Church is also expecting that the problems which the believers are still confronting in the centers of study and work will be eliminated, "although we have had no complaints in the last 2 years." He added: Believers are still considered as persons that do not merit confidence."

In the field of education, the Church is proposing "a neutral education, that will not teach religion, but that will not fight it either or teach atheism." Likewise, the Church wants to have access to the communications media, through the state press or its own means. The Church now has one bulletin, "Vida Cristiana," and its 80,000 copies are distributed on Sundays in the churches.

Lastly, the Church is hoping that membership in the only party, the Communist Party, will be opened to the believers. "It would be desirable to have a cetain pluralism within the party," said Msgr De Cespedes.

To this effect, Msgr Ortega said that in order for this to exist, the party would have to cease demanding atheism as a condition for membership.

"We should not create expectations about the results of these meetings, but both parties feel they should not be just simple contacts," pointed out Msgr Ortega, who said, however, that he felt "moderately optimistic" about the dialogue.

'UNDERSTANDING' FOR UN FOOD ASSISTANCE SIGNED

FL142204 Havana Radio Reloj Network in Spanish 2132 GMT 14 Feb 86

[Excerpt] For the purpose of compensating Cuba for damages resulting from Hurricane Kate, a letter of understanding has been signed in Havana between the Cuban Government and the UN World Food Program [WFP].

WFP assistance consists of the donation of 858 metric tons of vegetable oil and 532 metric tons of beans, valued at $1,381,000, including the cost of transporting the foods to national ports.

Other international UN organizations also approved urgent contributions for Cuba to alleviate the affects of Hurricane Kate on the population and the economy.

TRADE UNIONS TO SELECT REPRESENTATIVES

FL180220 Havana Television Service in Spanish 0100 GMT 18 Feb 86

[Text] More than 50,000 Cuban trade unions will begin the process of renewal or ratification of their cadres' guidelines between 20 February and 31 March. Rene Penalver, Central Committee member and second secretary of the Central Organization of Cuban Trade Unions, reports on the preparations for and importance of the process.

[Begin recording] There is a positive environment. The conditions have been created and we aspire to have this be the most democratic process in all history. At these meetings, the workers will be able to select their representatives, the most capable workers, with the best attitudes, and the more qualified who will be able to carry out the work of their respective trade union sections for the corresponding period. With the same profound enthusiasm and spirit of our peoples, the working class, workers in general, have received the results of the Third PCC Congress. They will express themselves in the electoral process.

I do not have the slightest doubt that the workers will select their best representatives and that it will be a great contribution in preparing our trade union organization, which undeniably plays a determining role in the struggle for completing the agreements reached at the Third PCC Congress so that we can have a strong, powerful trade union in the next [5-year] period, which will be able to carry out the great tasks that the Third PCC Congress agreed upon and in which our trade union will play a decisive role. Why? Because it has to do with how the trade union prepares the masses to defend the struggle for maximum economic efficiency, to avoid deficiencies, to make more rational use of resources, to follow conservation so that our work centers can struggle for profitability, and, finally, so that the trade union can contribute with the workers' direct participation. [end recording]

'IMPLICIT' RECOGNITION OF HAITI ANNOUNCED

PA141536 Paris AFP in Spanish 1433 GMT 14 Feb 86

[Excerpt] Santo Domingo, 14 Feb (AFP) -- Foreign Minister Jose Augusto Vega Imbert today announced the Dominican Republic's implicit recognition of the new Haitian Government, adding that his country will contribute to the democratic process and the social and economic development of the country with which it shares the island of Hispaniola.

In statements published today by the newspaper LISTIN DIARIO, Foreign Minister Vega said that "the Dominican Republic maintains diplomatic relations with Haiti," which was interpreted as tacit recognition of the National Government Council, a six-member group that 1 week ago replaced lifetime President Jean-Claude Duvalier, who has left the country.

Vega Imbert gave an outline of the official Dominican position in response to the new political situation prevailing in Haiti, a country with which Santo Domingo has traditionally maintained complex and difficult relations.

In general, he pointed out, the social deomcratic government of President Salvador Jorge Blanco is willing to collaborate with Haiti's democratization, and will contribute to create awareness in international organizations over the need to help that impoverished country.

In this regard, Vega said that the Dominican Government plans to promote increased economic aid to Haiti and the OAS.

REFUGEE CENTERS FOR HAITIANS CONSIDERED

FL131401 Bonaire Trans World Radio in English 1130 GMT 13 Feb 86

[Text] The government of President Salvador Jorge Blanco says it will consider establishing refugee centers for Haitians if more violence breaks out in the neighboring country. The government says provisional centers would provide temporary shelter, food, and medicine to Haitians who flee their homeland.

President Jorge Blanco closed the border between the Dominican Republic and Haiti when President Duvalier left Port-au-Prince February 7th. Officials have not said when the border will be reopened.

WORLD MARKET SUGAR PRODUCTION HALTED

FL130400 Santo Domingo LISTIN DIARIO in Spanish 4 Feb 86, pp 1, 4

[Excerpt] It was reported yesterday that the State Sugar Council [CEA] has decided not to produce sugar for sale in the world market this year. The measure implies that the CEA will discontinue producing approximately 300,000 tons, which is what was sold to the world market last year. CEA sources said yesterday that they will only produce enough to meet this year's quota in the U.S. market and, it is possible that additional quotas will be received, attend to the local market. The decision was based on depressed sugar prices.

REGIONAL LEADERS TO MEET PRIOR TO REAGAN SUMMIT

FL172314 Bridgetown CANA in English 2213 GMT 16 Feb 86

[Text] St Georges, FEb 15, CANA -- Caribbean leaders attending Thursday's summit in Grenada with U.S. President Ronald Reagan are expected to hold a meeting of the recently-formed Caribbean Democratic Union (CDU).

In making the disclosure, Grenada's Public Utilities Minister Dr Keith Mitchell, who is the general secretary of the ruling New National Party (NNP) here, said the CDU leaders would be meeting among themselves one day before the meeting with Reagan.

The CDU, a grouping of so-called like-minded democratic parties in the English-speaking Caribbean, was recently launched at a meeting in Jamaica during which Prime Minister Edward Seaga was voted as its first president.

Mitchell told CANA that the CDU leaders are expected to discuss strategies, as well as methods and ways in which to strengthen the organization which would seek to build the democratic process in the English-speaking Caribbean.

He rejected suggestions from Caribbean leftwingers that the CDU which has the backing of the U.S. is an attempt by right-wing elements in the region to maintain their hold on political power in the area.

I don't see why some people seem to be jumpy about our decision to get together and talk because the so-called leftwing elements have been meeting for many years and discussing ways in which to destroy the democratic process, to create havoc and pain, and suffering on the mass of people in the Caribbean, he said.

Mitchell who attended the Jamaica meeting where the CDU was launched stated that its leaders see the need to adopt similar tactics to deal with attempted leftist subversion since the behavioral patterns of these elements are same in the respective territories.

One thing for sure is that we are not talking violence to counteract their methods of attempting to destroy our democratic processes. We are talking about effective methods to deal with the leftist insurgencies in the Caribbean, he said.

Grenada's governing party at a recent national executive meeting agreed to ratify its membership of the CDU.

GRENADA

BLAIZE ANNOUNCES PROGRAM FOR REAGAN VISIT

FL151754 Bridgetown CANA in English 1711 GMT 15 Feb 86

[Text] St Georges, Feb 15, CANA -- Prime Minister Herbert Blaize confirmed last night that eight Caribbean leaders will join him in discussing economic and security matters with President Reagan next Thursday.

Speaking on his weekly radio broadcast, Blaize said the prime ministers of Antigua and Barbuda, Barbados, Dominica, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, and Trinidad and Tobago had accepted his invitation to attend the one-hour summit.

Reagan's trip, the first by an American persident to Grenada, is expected to last three hours and thirty five minutes.

The U.S. President is due to arrive at Grenada's Point Saline International Airport at 1:45 p.m. local time to a 21-gun salute.

He will unveil a commemorative plaque at the airport, take part in a ceremony at the American medical school on the island in memory of 19 U.S. servicemen killed during the 1983 U.S.-led invasion, hold bilateral talks with Blaize and Governor General Sir Paul Scoon, and deliver a 15-minute address at a public rally.

He said that arrangements are being made to provide islandwide transportation to bring people to the rally, and that small schooners would ferry residents from Grenada's sister islands of Carriacou and Petit Martinique.

LEFTIST GROUP CALLS FOR REAGAN VISIT BOYCOTT

FL150020 Bridgetown CANA in English 2244 GMT 14 Feb 86

[Text] St Georges, Feb 14, CANA -- The leftwing Maurice Bishop Patriotic Movement (MBPM) today called on Grenadians to boycott Thursday's four-hour visit here by U.S. President Ronald Reagan.

The MBPM, named after the Grenada Prime Minister slain in a 1983 coup, today started circulating a one-page pamphlet declaring that no patriot should welcome here someone who invaded our sovereign country.

U.S. and Caribbean troops stormed Grenada nearly two-and-a-half years ago to topple a leftist junta that had seized power in the bloody coup in which Bishop was executed.

The MBPM, headed by former Bishop cabinet colleague Kendrick Radix, said it would hold its own mass patriotic rally at the St Georges Market Square on the same day Reagan is due to become the first American president to visit Grenada.

The function will be held about a mile from where Reagan is due to address a public rally during his visit for bilateral talks with Grenada and other Caribbean Community (CARICOM) leaders on regional security and economic matters.

MBPM says boycott all activities of the Reagan visit. MBPM calls all patriots and real democrats to attend a mass patriotic rally at the market square onFebruary 20, 1986. Rally for peace, independence, and freedom of our nation. Grenada must be Grenadian, the pamphlet said.

HAITI

MAYOR FRANK ROMAIN TO RUN FOR PRESIDENCY

FL151302 Bonaire Trans World Radio in English 1130 GMT 15 Feb 86

[Text] Several Haitian politicians have declared themselves candidates in any future presidential elections in Haiti. Among thsoe who have declared themselves available for the presidency of Haiti when elections come about is Mr Frank Romain, mayor of Port-au-Prince in an election which was described by many foreign observers as fraudulent. Mr Romain, a personal friend of former Haitian leader Francois Duvalier and recently deposed President Jean Claude Duvalier, is the first pro-Duvalierist to state his intention to run for the presidency.

GROUP URGES DISMANTLING OF DUVALIER STRUCTURES

PA180248 Paris AFP in Spanish 1954 GMT 17 Feb 86

[Text] Caracas, 17 Feb (AFP) -- Today, the Rally of the Nationalists Democrats-Progressivists of Haiti [Reagrupamiento de los Democratas Nacional-Progresistas de Haiti, RDNP] renewed its appeal to the Haitian National Government Council (CNG) to adopt measures of "de-Duvalierization" [desduvalierizacion].

RDNP Secretary General Leslie Manigat delivered to AFP in Caracas a copy of the message sent to the CNG, headed by General Henri Namphy. The RDNP welcomed certain CNG measures "such as abolishing the presidency-for-life, officially disbanding the Tonton Macoutes militia, reinstalling the legislative chamber, and returning to the blue and red flag."

However, the RDNP was surprised that after these measures were adopted, other urgent measures have not yet been adopted, such as "a decree of general amnesty leading to the release of all the political prisoners, allowing the free return of exiles to their fatherland, and, as a corollary, abolishing a return visa which was granted at the discretion of the ousted regime."

The RDNP letter stated that it refused to believe that the current government council would distort these advances toward democracy. The RDNP highlighted the presidency of Gen Namphy, "a career officer whose image seems to be that of an independent professional," and the presence of Gerard Gourges, "a human rights advocate who has become minister of justice."

In addition, the RDNP stated its support for the recent "Gonaives manifesto", which is a list of demands made by the Haitian internal opposition, as it concurs with the RDNP's democratic demands issued on April.

According to the RDNP, these demands included "going from a popular, spontaneous, inevitable, watchful, legitimate, and vindictive justice, to an institutional, legal, and impartial yet punitive justice to try the most well-known torturers and notorious thieves."

Manigat announced his willingness to return to Haiti "to participate, together with my political friends, in the difficult task of rebuilding the country." Manigat told AFP that some 1,500 followers of the RDNP, Social Democrats, and Christian Democrats Union, in several Caribbean capitals, are also waiting to return.

To end, the RDNP's message to the CNG insisted that "under the current circumstances, all responsible actions must seek to satisfy the legitimate demands of the people after 28 years of a criminal and suffocating dictatorship."

SCHOOLS REOPEN; STUDENTS CALL FOR ELECTIONS

FL172356 Bridgetown CANA in English 1951 GMT 17 Feb 86

[By John Cotter]

[Text] Port-au-Prince, Feb 17, CANA-REUTER -- Haiti's new rulers today reopened schools shuttered January 7 by toppled dictator Jean-Claude Duvalier, but many students in the provinces stayed away to back demands for quick elections.

In Gonaives, a city 93 miles (150 km) north of this capital where the revolt was sparked last November by the murders of three students, bands of street youths on bicycles urged uniformed students to go home rather than on to classes.

The shouted appeals appeared to be effective. Many of the dozen or so small private schools, though opened on schedule at 8:00 a.m., were less than a quarter filled and in a number of cases classes were simply suspended.

The director of one of the city's largest schools with a student population of 1,030 said however he expected all students would trickle back to the classrooms by midweek.

The boycott had been made in broadcast appeals from Gonaives, but appeared to be going unheeded in Port-au-Prince, which has an estimated lower and upper school population of 250,000. Reopened classrooms observed by reporters at mid-morning were better than three-quarters filled.

Leaders of the loosely organized rebellion centered in Gonaives have been calling for removal of the six-member military civilian government council almost from the start, saying most of its members and numerous Cabinet officials and ministers are tainted by past links to Duvalier.

GOVERNMENT 'CLOSELY FOLLOWING' RETURN OF EXILES

PA172209 Madrid EFE in Spanish 1840 GMT 17 Feb 86

[By Serge Beaulieu]

[Text] Port-au-Prince, 17 Feb (EFE) -- Today the schools of Haiti renewed their activities for the first times since they were closed on the first day of the school year as part of the strategy of former President Jean Claude Duvalier to quench protests.

However, in Gonaives, center of the Haitian rebellion, a school boycott is on the force the National Government Council being presided over by General Henri Namphy to establish a date for general elections.

The new government, which is headed by a civic-military junta, has ordered the return to classes now that the Duvalier regime has fallen. In this capital, uniformed young students are going to their schools. Namphy and the other five members of the National Government Council put themselves in charge of the government 3 hours and 30 minutes after the overthrow of Duvalier, who fled the country at dawn on 7 February.

Some sectors of Gonaives, in the country's south, are asking that the Haitian educational system now give priority attention to a literacy-promotion campaign and to the task of instructing the people on how to safeguard the environment. At least 85 percent of the Haitians are illiterate, and the nation is facing serious problems because of a deforestation problem that is endangering the ecology.

Meanwhile, Haitian exiles are beginning to return. Literature Professor Jean Claude Bajeux, who lived in Puerto Rico for years, and Felix Morisseau Le Roy, an expert in the Creole language who has been living in Africa, have returned after 22 years in exile.

Bajeux was arrested this past Friday, but Paul Latortue, an economics professor at the University of Puerto Rico, immediately denounced his arrest in San Juan. Bajeux was held for only a few hours.

The Haitian Government, which the authorities call a "transition government," is closely following the arrival of exiles to prevent the entrance of people with ideas of revenge against the Duvalier regime.

Although 10 days have gone by since Duvalier left, the people are still questioning some appointments in the civic-military junta and in some ministries because positions have been given to collaborators of the former president-for-life.

Meanwhile, the National Bank of Haiti has denied that Duvalier left only $1,049 in the National Treasure when he left the country. A spokesman for the bank has noted that "he only wanted to exchange 100,000 gourdes (the Haitian currency) for $100,000."

According to unofficial reports, Duvalier and his family took $400 million when they left the country.

5 TONTONS MACOUTES KILLED IN PORT-MARGOT

PA150211 Paris AFP in Spanish 2233 GMT 14 Feb 86

[Text] Port-au-Prince, 14 Feb (AFP) -- Five militiamen (Tontons Macoutes) were killed yesterday afternoon by the inhabitants of the townships of Port-Margot near Cap-Haitien, the second largest city in Haiti, some 260 km from the capital, it was learned today in Port-au-Prince.

The group, led by a militiaman named Gerard Obas, had been disarmed by the police in the city of Limbe (some 25 km from Cap-Haitien) in the past 2 days. However, the five "Tontons Macoutes" went to Port-Margot to carry out reprisals against the inhabitants. The bodies of the five individuals were burned and later deposited at the morgue of the hospital in Cap-Haitien.

BISHOPS CALL FOR END TO KILLINGS, LOOTING

FL142218 Bridgetown CANA in English 2204 GMT 14 Feb 86

[By Phil Davison]

[Excerpt] Port-au-Prince, Feb 14, CANA-REUTER -- Haiti's ranking bishops appealed today for an end to killing and looting and the nations new rulers bowed to protesters demands to replace the flag flown under ousted dictator Jean-Claude Duvalier.

The nations five leading churchmen called on Haitians to respect human life and property, a reference to murders of members of the Tontons Macoutes secret police and the looting of homes of people linked to them or to Duvalier, who fled the country one week ago. Today, your hearts are filled with joy. You have the right to express your relief. But, we beg you, do not turn to acts unworthy of the name Christian. Respect goods and human life, said the statement, signed in the name of the leading churchmen by Monsignor Francois Gayot, bishop of Cap Haitien. Do not kill anyone. Do not turn to looting. Pardon as Christ pardoned. Remember, Father forgive them for they know not what they do.

Life in Haiti was virtually returned to normal and is expected to improve further by Monday when the nation's schools are to reopen after a six-week closure caused by anti-Duvalier protests. Bowing to the will of anti-Duvalier protesters, the government decreed that Duvalier's red and black national flag will be formally replaced on Tuesday by the blue and red flag brandished by protesters over the past few weeks.

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CONTADORA, CENTRAL AMERICAN DELEGATES MEET

PA151553 Paris AFP in Spanish 1926 GMT 14 Feb 86

[Text] Panama, 14 Feb (AFP) -- Venezuelan Deputy Foreign Minister German Navas today called on the plenipotentiary representatives of the five Central American countries who are meeting with the Contadora Group to make new efforts to hasten the region's peace negotiations.

Speaking on behalf of the four countries that form the Contadora Group and the four that form the Support Group -- Brazil, Peru, Argentina, and Uruguay -- at the opening of the meeting with the Central American delegates, the Venezuelan deputy foreign minister said that there is an urgent need to restore stability and peaceful coexistence in the region.

Navas said that the Central American crisis is part of the continent's problems because no country, regardless of how far away it may be, is free of the situation's effects.

The Venezuelan diplomat added that the meeting, which began today at midday in Panama between the Contadora Group and the Central American plenipotentiaries, is the most important moment for the peace-making group.

He recalled that the "conviction" of the need to face the Central American situation prompted and encouraged the issuing of a message last month in Caraballeda, Venezuela. The message was issued by the eight foreign ministers of the Contadora and Support Groups regarding the peace-making effort. Navas said that the Caraballeda document, which focuses on the central aspects of the crisis, should be interpreted as an answer to the Central American situation, and "why not the Latin American panorama also?"

The deputy foreign minister said that the Caraballeda message contains a persistent attitude and reiterates the efforts to achieve peace, democracy, conciliation, and stability in Latin America as "necessary elements and the essential and undeferrable basis" to achieve peace.

"The area's reality forces us to seek solutions with Latin American mechanisms, concepts, and methods, and you all comprise the factor that will indicate if we are on the right path toward the solution of the conflict," he added.

Meanwhile, Panamanian Deputy Foreign Minister Jose Cabrera said that the goal of peace "has made great progress" and that the pending topics "are few," but not "difficult."

The Contadora negotiations were suspended in November 1985 at Nicaragua's request, as that country considered it would be advantageous to wait until the elections in Costa Rica, Honduras, and Guatemala had concluded to resume talks on the Central American peace document with the security, political, economic, and social commitments vital to the achievement of peace.

Panama's Cabrera on Negotiations

PA151755 Panama City ACAN in Spanish 1954 GMT 14 Feb 86

[By Rolando Raul Rodriguez]

[Text] Panama City, 14 Feb (ACAN-EFE) -- The Panamanian deputy foreign minister said today that the "negotiations on the Contadora Document have made a lot of progress" but the topics pending discussion "are no less difficult."

Jose Maria Cabrera opened a meeting today between the Contadora Group (Mexico, Colombia, Venezuela, and Panama) and the Central American countries on behalf of Foreign Minister Jorge Abadia Arias.

The meeting's agenda was not disclosed, but some of the delegates to this diplomatic session said that they will discuss matters pending on the Contadora Document for Peace and Cooperation in Central America involving security and the arms buildup.

Cabrera said that the Contadora Group must "find an appropriate and just solution" to these pending aspects. He said that he trusts that these aspects will be analyzed and approved.

Venezuelan Deputy Foreign Minister German Navas Carrillo, who made a general statement on behalf of the Contadora Group, said "that this moment represents an important one for the life and process of Contadora."

Navas Carrillo admitted that the crisis situation Central America is experiencing prompted the initiative that culminated with the Caraballeda meeting, which ended on 12 January and was attended by the foreign ministers of Contadora and the Support Group, comprised of Argentina, Brazil, Uruguary, and Peru.

The eight foreign ministers approved the Caraballeda document which, the Venezuelan deputy foreign minister said, is "a response to the difficult situation in Central America and Latin America." In addition, he said, it is "an attempt to handle the extremely difficult situation we are facing in the most effective, fastest, and efficient way possible."

The Caraballeda document is a synthesis of the basic principles presented in the Contadora Document for Peace and Cooperation in Central America. This message was supported by the Central American countries through the Guatemala declaration signed on 14 January.

The Venezuelan deputy foreign minister said that the Caraballeda document "establishes permanent bases for peace in Central America," which are, Navas Carrillo asserted, "a Latin American solution for the crisis," with its own thoughts, intentions, and desires for peace and improvement.

Navas Carrillo stressed that "what is known as the Central American crisis is part of a continental problem: No corner of this continent is free of the effects, or far from the conflicts that stem from the current Central American situation."

Meeting Ends; No Declaration

PA160000 Panama City ACAN in Spanish 2315 GMT 15 Feb 86

[By Agustin De Gracia]

[Text] Panama City, 15 Feb (ACAN-EFE) -- Two days of talks between the Contadora Group and Central American diplomats concluded here today without any specific results and without touching at all the regional peace treaty.

The only agreement reached through formal negotiations was achieved by the Nicaraguan and Costa Rican deputy foreign ministers, Victor Hugo Tinoco and Gerardo Trejos, to create a "force for permanent inspection and surveillance" along the joint border, one of the most conflict-ridden spots in the region.

The deputy foreign ministers of the Contadora Group (Mexico, Panama, Colombia, and Venezuela) and the Central American plenipotentiaries held lengthy discussions for 48 hours on the issue of methods, but did not achieve any results. At the end of the meeting, which ended without a joint declaration, the Venezuelan deputy foreign minister, German Nava Carrillo, said that the meeting served so that the Contadora Group will have a "very clear image of the ground on which we have to move." Nava Carrillo denied that there is a "contraction" of the peace efforts, but he admitted: "However, we cannot say that everything is running smoothly."

"We now have a more or less clear picture of the possibilities for action and future work," the Venezuelan deputy foreign minister added.

There was skepticism this afternoon among the Central American delegates attending the meeting, even though the Contadora Group insisted the meeting had yielded results, which it was unable to specify.

The deputy foreign ministers of the peace-seeking group decided to begin a tour through Central America, probably in March, with the purpose of "carrying out a series of consultations," said Panamanian Deputy Foreign Minister Jose Maria Cabrera.

This is the first meeting held since the approval of the principles of the Caraballeda document, which contains a summary of the regional peace plan and which, according to the Contadora Group, was aimed at promoting the peace efforts that had been stagnant for months.

However, the Caraballeda document, signed on 12 January by the Contadora Group and the Support Group (Argentina, Peru, Brazil and Uruguay) and supported by the Central American countries, was the main topic of discussion.

The Caraballeda document expresses the need to continue drafting the regional peace plan, but at the same time promotes, among other things, the suspension of military maneuvers, the elimination of military advisers, and the end to all support to guerrilla movements.

The problems started when Nicaragua suggested that all issues be discussed simultaneously while El Salvador, Honduras and Costa Rica, the allies of the United States in the zone, preferred to analyze and discuss the regional peace plan before doing anything else.

Jorge Hernandez Alcerro, head of the Honduran delegation, accused Nicaragua of causing the peace efforts to regress and of unwillingness to continue discussing the peace plan.

Victor Hugo Tinoco, Nicaraguan deputy foreign minister, said that the Caraballeda Document "clearly establishes that it is a simultaneous process."

The Contadora Group insisted that the Caraballeda document and the peace plan are not interchangeable, but are complementary documents, Panamanian deputy foreign minister said.

The Venezuelan deputy foreign minister stressed that the peace plan is the "fundamental element" for peace, and the Colombian deputy foreign minister added that peace effort needs "to advance simultaneously."

Honduras Proposes Two Groups

PA181902 Panama City ACAN in Spanish 1803 GMT 18 Feb 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 18 Feb (ACAN-EFE) -- It has been officially announced that Honduras has proposed to Contadora the creation of two groups for the negotiation of the pending topics of the regional peace treaty.

The proposal was announced by Jorge Hernandez Alcerro, adviser of the Honduran Foreign Secretariat and chief of the delegation of plenipotentiaries who are negotiating the terms of the regional peace treaty with the Contadora Group.

According to the Honduran proposal, one of the commissions, comprised of "military experts of the five Central American countries," would be in charge of negotiating the pending points of the regional peace treaty that deal with the subjects of disarmament.

The other negotiating group would be in charge of studying and drafting a proposal to make viable the verification and control mechanisms.

The Contadora Document for Peace and Cooperation in Central America envisages the creation of a verification and contral commission that would supervise the fulfillment of the military commitments each nation accepts when it signs the treaty.

Hernandez Alcerro indicated that "no substantial progress was achieved" in the meeting between Central American plenipotentiaries and Contadora deputy foreign ministers held over the weekend in Panama City.

In the meeting, the Central American delegates did not make progress in the discussion of the regional peace treaty because the meeting centered on procedures to study the Caraballeda document, which refers to the main phases to achieve peace in the region.

Hernandez Alcerro also disclosed that "1 year ago, the Honduran authorities also proposed the creation of a fund to finance verification and control, as well as economic and social development projects in the region."

According to Hernandez Alcerro, "the main obstacle to the achievement of a peace agreement continues to be the closed position of Nicaragua which does not want to sign any regional agreement as long as it does not achieve a bilateral agreement with the United States."

SOVIET DELEGATION PROPOSES REMODELING OF PORT

PY142055 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2155 GMT 13 Feb 86

[Text] Buenos Aires, 13 Feb (NA) -- A Soviet delegation that will submit a proposal for the "dredging and remodeling" of the port of Bahia Blanca arrived in Argentina today. This is the first Soviet mission to visit Argentina in the framework of the agreements signed by Foreign Minister Dante Caputo during his recent visit to the Soviet Union. On that occasion, Caputo approved the renewal of a grain purchase agreement through which the Soviet Union committed itself to import a minimum of 4.5 million tons of grains per year, while Argentina offered to purchase industrial products for a total of $500,000.

These industrial purchases will include the purchase of the turbines necessary to put in operation the Piedra del Aguila hydroelectric complex and the remodeling of the Bahia Blanca port, which will become a deep-water port. This project is of particular interest, because a large volume of grain exports are shipped through the port of Bahia Blanca. According to a recent Transportation Secretariat estimate, the remodeling of the Bahia Blanca port will considerably reduce shipping costs. Estimates say that costs will be reduced by about $154 million per year.

The Soviet project, which has already been submitted to Industry and Trade Secretary Roberto Lavagna, is guaranteed by the Ansaldo, Ferruzzi, and Buhler companies, of Italy, and by an important group of Argentine companies headed by Sideco Americana Inc. Sources close to the Industry Secretariat have said that the offer includes the complete financing of the foreign and local participation, while the credit that has been offered will be payable in Argentine food products, thus avoiding the expenditure of currency.

The offer will be submitted to Public Works Minister Roberto Tomasini by a Soviet delegation headed by the Soviet Maritime Fleet Minister Admiral Vladimir Vladimirovich Aristarkhov and the Soviet Embassy economic affairs attache. Moreover, the delegation which is made up of prominent executives of the participating companies will meet with Foreign Minister Dante Caputo and representatives of the Argentine National Grain Board.

CONGRESSIONAL DELEGATION LEAVES FOR UK

PY160233 Buenos Aires TELAM in Spanish 2042 GMT 15 Feb 86

[Text] Buenos Aires, 15 Feb (TELAM) -- The congressional delegation made up of Senators Adolfo Gass (UCR) [Radical Civic Union] and Julio Amoedo (Popular Conservative Party), and Deputies Federico Storani (UCR) and Jose Bordon (PJ) [Justicialist Party] departed this afternoon for the United Kingdom, where they plan to discuss Argentina's claims over the Malvinas at the invitation of British lawmakers. The Argentine lawmakers unanimously ruled out any possibility of meeting with Prime Minister Margaret Thatcher. The representatives of the ruling party denied having received any instructions in this regard, and Storani pointed out that should any such possibility come up they would consult with the chief executive.

Senator Gass indicated that the lawmakers did not have a chance to talk with Foreign Minister Dante Caputo, who returned yesterday, but reaffirmed that the government had approved the trip. I am a government man, and I would not go if I knew that the government did not approve of this trip, he added. He went on to say that our hosts have not scheduled or arranged any meeting with members of the British Government and explained that the visit's agenda is in the hands of the British parliamentarians.

As to the welcome they expect, the senator said: We expect to be received as cordially and respectfully as we have received them, although he did acknowledge that, just as in Argentina, some minor incidents could take place because there is always some hothead around. We hope to have a chance to explain our position to the British public; we hope that they will understand us and that the United Kingdom will move swiftly to comply with the UN resolution to resume talks, Gass concluded. Senator Amoedo emphasized the importance of the trip by saying that when the British lawmakers came to Argentina it was an informal and unofficial visit, while in this case the invitation was formally issued by the House of Commons.

The conservative senator harshly criticized the landing of Argentine troops on the Malvinas Islands which unleashed the war over the Malvinas. He stressed that the lack of experience and rashness of the military officers who ordered the invasion that led many innocent soldiers to their deaths should not be forgotten. He added that, furthermore, the military adventure paralyzed the negotiations to Great Britain's advantage.

Amoedo explained that during its meetings the Argentine delegation plans to demand compliance with UN Resolution No. 40/21 that calls for resumption of negotiations. So far, the British Government has not complied with this resolution. This is why we are going to Parliament, which is the source of power in Great Britain. Amoedo saw as positive the fact that we are being asked to defend our position not only at the House of Commons but also at the House of Lords and in Oxford.

The visit of the Argentine lawmakers is taking place at the invitation of the British branch of the Interparliamentarian Union of Commons, presided over by David Crouch. The agenda includes meetings with lawmakers and leaders of the Conservative, Labor, Social Democratic and Liberal Parties and with church and academic representatives.

Official Contacts Denied

PY180243 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0014 GMT 18 Feb 86

[Text] Buenos Aires, 17 Feb (NA) -- Deputies Federico Storani and Jose Bordon tonight denied that their delegation plans to hold official meetings in London to discuss the Malvinas conflict, a subject which has already been broached with the leaders of the various political parties of the United Kingdom. Thus, the two deputies refuted reports saying preliminary contacts have already been made for talks with high-ranking officials of the Thatcher administration. These talks would be outside the pre-established agenda arranged as part of the invitation made by the British branch of the World Parliamentary Union. Storani (UCR) [Radical Civic Union] and Bordon (Justicialist Party) [PJ], issued their denials from London, the former to Beunos Aires radio stations Mitre and Continental and the latter to NOTICIAS ARGENTINAS.

Meanwhile, it was reported that the two deputies and Senators Adolfo Gass (UCR) and Julio Amoedo (Popular Conservative Party) tonight held a meeting in London to evaluate the talks they participated in today. Storani described these talks a "very positive." Asked about the source of the rumors about the official nature of the lawmakers' trip, Storani said that inside the British administration "there are sectors that will try to sow confusion about the true nature of the mission," and called upon the Argentine press to report on the basis of information received from "the horse's mouth."

He added: "We must be very careful about this issue because our country's supreme interests, such as the recovery of the legitimate sovereignty we claim over the Malvinas Islands and other territories in the South Atlantic, are involved." Storani indicated that the agenda of the mission has been programmed in Great Britain and reiterated that within the framework of these prescheduled activities the Argentine group has met with conservative parliamentarians but not with government officials. "There have been no official contacts with British Government officials, nor will there be any because no such contact has been scheduled," the Argentine lawmaker emphasized.

Storani stressed the performance of the British press that "has reported on the meetings of the Argentine delegation with various British figures and on the press conference held to explain Argentina's position." He reiterated that the delegation has traveled at the invitation of members of the World Parliamentary Union and denied that the group is authorized to hold official talks with members of the British Government because "it does not represent Argentina's foreign policy or the nation's Congress."

"We have not received any instructions about holding official meetings with British Government members, and we must simply limit ourselves to comply with our agenda as part of a general strategy that will help in the understanding and progress of the subject," he concluded.

In turn, Bordon qualified the delegation's first day of work as "satisfactory" and said that the Argentine position regarding the Malvinas conflict was "explained and defended" before British personalities, including congressmen from the ruling party. He said that our reasons "were understood in several British sectors," while others "maintained their negative attitude" but listened "attentively" to the congressmen's words.

Bordon reported that the group's activities "are held according with the pre-established agenda," and he assured that "no interview with the British Government officials was requested or offered to them." In this sense, the Peronist congressman pointed out that "in the case of a change of attitude by the British Foreign Office" the Argentine delegation should "report it to Argentina before making any decision."

CENTRAL BANK SUSPENDS PAYMENTS TO PARIS CLUB

PY171649 Buenos Aires LA PRENSA in Spanish 15 Feb 86 p 5

[Text] The Central Bank has suspended the payments to be made this year to the foreign creditors that operate within the Paris Club. According to Central Bank Letter "A" No. 848, the payment suspension covers the public and private sectors with due dates this year to foreign governments or official agencies. It also covers commercial obligations that have export guarantees or insurance in the country of origin. In both cases the debt would have been contracted before 10 December 1983 with payment terms of over 1 year. This measure is based on the Argentine request to the official foreign creditors of the Paris Club for the rescheduling of the expiration dates of this year's public and private debts. The Central Bank warns that if payments affected by this regulation are made, the Central Bank will request the immediate reimbursement of the transferred payment.

CARTAGENA MEETING POSTPONED AT GOVERNMENT REQUEST

PY182150 La Paz Radio Illimani Network in Spanish 1700 GMT 18 Feb 86

[Excerpts] At the request of the Bolivian delegation, the meeting of the Cartagena Consensus representatives that was to be held in Santa Cruz on 21 February has been postponed for reasons our country considers valid.

This was announced today by Integration Minister Fernando Caceres at the end of a visit to the president of the republic at Government Palace.

[Begin recording] [Unidentified reporter] Following the meeting in Caraballeda, Venezuela, what will be Bolivia's situation in the Cartagena Consensus?

[Caceres] I believe there are two possibilities. The first is the direct aid that the integration ministers have offered Bolivia. They also intend to visit the country to discuss the possibility of other countries granting us aid.

The second possibility is that of resuming the stalled talks on our commercial problems. This would be done through a meeting of integration ministers at the Cartagena Consensus Board office, so that after the rough edges are smoothed out, we would be able to resume those talks. [end recording]

Two important meetings of Andean country representatives had been scheduled over the next few days. One of these meetings was to have been held in Santa Cruz, and the other in Galapagos. Both of these meetings have been postponed. Minister Caceres explained the reasons.

[Begin recording] The Santa Cruz meeting was postponed at my request. The reason is that a consensus was needed for this meeting. [passage indistinct] The meeting that was to be held in Santa Cruz has been postponed indefinitely. [end recording]

TALKS BEGIN WITH BRAZIL ON ILLEGAL ALIENS

PY182127 Paris AFP in Spanish 1249 GMT 18 Feb 86

[Text] La Paz, 18 Feb (AFP) -- Defense Minister Luis Fernando Valle today announced here that the Bolivian Government has started negotiations with the Brazilian Embassy in La Paz regarding the persistent penetration of Brazilian citizens into northeastern Bolivia.

Valle said that his ministry has begun negotiations so that the two countries can initiate a joint action to control the illegal flow of people into the regions near the Madre de Dios and Madera Rivers, where large gold deposits are located.

The minister said that the National Security Council (Conase), the most important strategic organization, will approve a final report on the illegal presence of foreigners in the northeast, about the gold resources, and about the foundation of a new Bolivian-ruled settlement called Nueva Esperanza.

Valle concluded by saying that the Bolivian Navy will purchase several river patrol boats and that it will increase the number of its troops in the regions where foreigners have illegally penetrated.

DRUG TRAFFICKING INCREASING IN LA PAZ DEPARTMENT

PY180249 Madrid EFE in Spanish 0322 GMT 16 Feb 86

[Excerpt] La Paz, 16 Feb (EFE) -- It was reported here today that the Intelligence Department of the Bolivian Interior Ministry has seized 170 kg of cocaine during an operation aimed at finding possible armed groups in semitropical regions close to La Paz.

After brief skirmishes in the area, the Bolivian police arrested 12 persons while 3 others managed to escape into the jungle, although one of them had been shot, Interior Minister Fernando Barthelemy reported.

He added: "At first we suspected that it was an armed group and sent a detachment to the yungas [subtropical valleys], where to our surprise we found 75 bags of cocaine, a few weapons and forged documents."

The narcotics were to be taken to Pando on the Brazilian border to be processed and then sent to Colombia, the prisoners reported.

Minister Barthelemy said that "the yungas area in La Paz Department had ceased to be an important target for the struggle against drug trafficking because of the increase of this criminal activity in Chapare, central Bolivia, but from now on we will control this region more effectively."

PANAMA REQUESTS SOLIDARITY ON CANAL ISSUE

PY141253 Paris AFP in Spanish 2334 GMT 13 Feb 86

[Text] La Paz, 13 Feb (AFP) -- During a press conference held here today, Panamanian Ambassador to Bolivia Jaime Ramirez Morales asked for Bolivia's solidarity with his country in view of U.S. attempts to disregard the terms of the 1977 Torrijos-Carter treaties.

Ramirez also showed a copy of the protest that Panamanian Foreign Minister Jorge Abadia Arias lodged with U.S. Ambassador to Panama Ellis Briggs over statements made by Michael Lowry, president of the Panama Canal Subcommittee of the U.S. House of Representatives. The protest note said Lowry's statements were inconsiderate.

This official believes that his country should condition the widening and modernization of the canal in the so-called Culebra Cut passage on Panama's human rights record and on its maintaining a democratic government, the ambassador explained.

Ambassador Ramirez Morales repeated what Foreign Minister Abadia Arias had said about the Torrijos-Carter treaties. He stressed that those treaties are not subject to unilateral interpretations by the U.S. Government, and that the United States will have to return the canal to Panama in 1999 regardless of the government in power.

He concluded by asking the Bolivian Government and people to be alert and to express their solidarity with the Panamanian cause, as they have done in recent years.

DEBT TALKS SET WITH PARIS CLUB, BANK OF FRANCE

PY171652 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 17 Feb 86

[Text] Next week, Brazil will have its first formal contact with the Paris Club to renegotiate its debt with OECD countries, Central Bank President Fernao Bracher has announced. On 24 February, Bracher will meet in France with Jean-Claude (Duiche), president of the Paris Club, and with executives of the Bank of France. Bracher said that it is too early to determine the terms of the renegotiation. He added that all payments, including interest, that have fallen due since January 1985 have been deposited at the Central Bank in the name of the creditors, awaiting the conclusion of the negotiations. Brazil expects the Paris Club to agree to reschedule the Brazilian medium and long-term debt as well as related interest payments. If the Brazilian proposal is accepted, the Paris Club will reschedule the $1.24-billion debt that fell due in 1985 over a 7-year period with a 5-year grace period, and will have to accept the suspension of payment of the $1.1 billion that will fall due this year, in addition to all related charges.

NEW INDUSTRY MINISTER ON PRIVATIZATION, ETHICS

PY181935 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Feb 86 p 5

[Excerpt] Brasilia -- Right after being sworn in yesterday, Industry and Trade Minister Jose Hugo Castelo Branco said that he intends to "turn all we can over to the private sector." During his speech he also said that his administration will be austere and not tolerate misuse of public funds. He said he will respect every cent of the taxpayers which enters the Industry and Trade Ministry safes. "I would rather leave my position this minute than admit the possibility of compromising with corruption and misuse of public money, because I would be dealing in the blood, sweat, and suffering of the Brazilian people," he stressed. Former Minister Roberto Gusmao, well aware of what is facing his successor, wished: "May the Lord help Jose Hugo and save him from the calumnies, infamies, and demagoguery of public life."

Castelo Branco also asserted that in the political and economic fields, Brazil is a mature country and that, for this reason, he sees no problem in accepting foreign capital: "The multinational companies will be welcome, as long as they come to contribute to the development of our country. We will not tolerate predatory policies or policies which go against our national interests. However, we need foreign risk capital to help us build the sovereignty and the future of this country."

ITAMARATY COMMENTS ON BOLIVIAN RELATIONS

PY181445 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Feb 86

[Text] Itamaraty spokesman Rui Nogueira yesterday said in Brasilia, regarding the illegal entrance of Brazilian citizens into Bolivia in search of gold, rubber, chestnuts, and other products, that the Brazilian Foreign Ministry has not received any official letter from La Paz. He also said that the relations between the two countries are excellent. Nogueira said that the information has been picked up by the Brazilian Embassy in La Paz from Bolivian newspapers. Reports from La Paz last week said that Bolivian Foreign Minister Guillermo Bedregal had requested intervention of the Brazilian Government to prevent border conflicts that may result from the presence of 10,000 Brazilians searching for gold.

SARNEY TO VISIT PORTUGAL, ITALY IN MAY

PY181350 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Feb 86

[Text] President Sarney is going to make his third trip abroad in late May. Sarney will visit two countries, Portugal and Italy. In the Portuguese capital, the first stop on his trip, Sarney will meet with Portuguese President-elect Mario Soares, and he will also be honored by the Portuguese Academy of Letters in Lisbon. Sarney will then visit Rome where he will meet with Pope John Paul II in the Vatican. Sarney's trip is being organized by the Foreign Ministry. Foreign Ministry spokesman Fernando Mesquita reported that the trip is being scheduled within the next 120 days and that it will be his third trip abroad since he became presdient. Sarney has made two trips abroad: last August he visited Uruguay, and the following month he opened the UN annual assembly in New York.

PAPER SEES LITTLE DIFFERENCE IN NEW CABINET

PY181942 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Feb 86 p 2

[Editorial: "The Sarney Cabinet"]

[Text] Apart from occasional mistakes and rhetorical utterances intended to momentarily further particular party interests, the crisis that broke out shortly before the new Cabinet was announced served to weaken the influence of the PMDB [Brazilian Democratic Mobilization Party] on the decisions of the executive branch. Although suffering from internal disarray, from a relative electoral debilitation, and from its waverings in the way of supporting the current government, the PMDB still supplied most of the components to the new Cabinet. It is undeniable, however, that the PMDB failed to use all its political weight in the composition of the Cabinet up to the last moment.

Despite the fact that it is not very edifying, the spectacle of the unbridled struggle for positions, selfish interests, and regional supremacy is not, in itself, reproachable. In moments like this it is only natural that exacerbated pressures, explicit discontent, and attempts at intimidation should come to the fore, but it could not be expected that the president would not resist some of the most intense pressures to which he was submitted. It would be difficult to conceive that such resistance did not exist. However, there was no resistance when, at the time he became head of the nation, the president agreed to maintain the entire Cabinet chosen by Tancredo Neves.

The recent act of presidential reassertion did not help, however, to make the government's basic intentions and priorities any clearer. The existence of a minister of irrigation (without infrastructure) stands as a confession that, once more, the lack of perspective has been replaced with propaganda. Even though the effects of the ministerial reform on the PMDB can be seen as traumatic, the shape of the Sarney government is left as indefinite as before. The coexistence of former members of the ARENA [National Renewal Alliance] with some representatives of the historical opposition does not seem solidified under the auspices of the New Republic, nor does it hide the dramatic difference which, for minor reasons, grabbed the headlines in recent days. Also the disparity of the curriculum of some members of the cabinet with the duties and functions they must perform cannot be overlooked -- although this disparity was also the trademark of the previous Cabinet. The statements by the president that the new team is "cohesive, homogeneous, and integrated," therefore, have an ironical ring about them.

Despite the fact that the most obvious pressures have been overcome, the Sarney ministry emerges with the same fragility as the previous Cabinet. The new ministerial team appears to be just as, or perhaps more, colorless, inconclusive, and empty as the one it replaced. As for its possible future significance, not much can be said and very little can be predicted.

COFFEE INSTITUTE PRESIDENT TENDERS RESIGNATION

PY150258 Paris AFP in Spanish 0248 GMT 14 Feb 86

[Text] Brasilia, 13 Feb (AFP) -- Brazilian Coffee Institute [IBC] President Ambassador Carlos Alberto Leite Barbosa has tendered his resignation to President Jose Sarney, it was officially reported in Brasilia. Presidential spokesman Fernando Cesar Mesquita reported that President Sarney accepted Leite Barbosa's resignation but did not reveal his reason for resigning. Mesquita also said that the IBC executive board members had also resigned their posts, adding that Leite Barbosa's successor has not been appointed yet. Barbosa assumed his position in August 1985, replacing Carlos Richbieter.

New President Appointed

PY151444 Paris AFP in Spanish 0203 GMT 15 Feb 86

[Text] Brasilia, 14 Feb (AFP) -- Businessman Paulo Sergio Portugal Graciano was appointed today as Brazilian Coffee Institute (IBC) president to replace Ambassador Carlos Alberto Leite Barbosa who resigned last Thursday. An Industry and Commerce Ministry spokesman added that Graciano's first task will be to investigate denunciations of alleged irregularities reportedly committed at the IBC, irregularities that have caused losses worth $300 million. According to unofficial reports, these losses have reportedly been caused by coffee exports at prices below those currently prevailing on the international market.

BRIEFS

TRANSNATIONALS REDUCE INVESTMENTS -- Rio de Janeiro 16 Feb (EFE) -- According to a book published by Brazilian Economist Gouveira Rodrigues, the large transnational enterprises in Brazil have reduced their investments in this country as of 1982. According to the study from 1981 to 1984, capital investments made by transnational enterprises dropped from 48.77 percent to 26.96 percent [figures as received]. [Summary] [Madrid EFE in Spanish 1548 GMT 16 Feb 86 PY]

COMMUNIST PARTY DENIES ENCOURAGING VIOLENCE

PY181340 Santiago Radio Chilena in Spanish 2200 GMT 17 Feb 86

[Text] The Communist Party of Chile [PCCh] has reiterated that it has never issued instructions inciting people to sabotage and violence. The PCCh claims that the document is a forgery and that its objective is to hinder successful talks on social mobilization, However, Christian Democratic [DC] leader Carlos Dupre has stated that the PCCh instruction document is genuine. In turn, PCCh leader Osiel Nunez told this newscast that the party had already denounced the existence of many forged documents attributed to the PCCh, including this instruction document that has allegedly been sent to the regional PCCh secretaries.

When Nunez was informed that DC leader Carlos Dupre had said that the PCCh instructions are genuine and that the road to national insurrection was approved by the PCCh plenum last January, Osiel Nunez said he was surprised at this attack by Dupre, especially at a time when a strong social consensus is about to be achieved.

[Begin Nunez recording] It seems odd -- to say the least -- that Dupre, who is not even a PCCh member, should testify to the existence of a PCCh document that has been described as nonexistent by the PCCh itself. It is also odd that Dupre should make these harsh statements at a time when an atmosphere of consensus is finally being achieved among the opposition parties. [end recording]

When asked whether the PCCh is willing to abandon the road of violence to achieve a peaceful solution in the country, Osiel Nunez replied:

[Begin Nunez recording] The PCCh advocates every form of struggle. This is not something the PCCh has proposed, but something that has developed within the people themselves, because they are unable to make their voice heard and their rights respected. Thus, the forms of struggle are determined to a large degree by the actions taken by the dictatorship against our people, rather than by the PCCh or any other force. [end recording]

Osiel Nunez concluded by saying that 1986 will be the year of social consensus and this will be achieved through unity among all the opposition sectors without discrimination.

PDC YOUTH LEADER ANDREW PALMA ARRESTED

PY182238 Santiago Radio Chilena in Spanish 1600 GMT 18 Feb 86

[Excerpts] Christian Democratic Party youth leader Andres Palma was sent to the Capuchinos prison a short time ago, although he is not being held incommunicado. The PDC leader was questioned by Judge Sergio Mery for 35 minutes in connection with charges leveled by the government. Several people gathered in front of the court building to voice their support for Palma, whom they applauded as he arrived. Before being questioned in the court, we talked with Palma and asked him his opinion on the legal action that has been initiated against him.

[Begin Palma recording] What I said is in line with the position of the PDC youth and of the party itself. From a journalistic viewpoint, the interview reflects my line of thinking, and this is what I am going to tell the judge. I do not think I have committed a crime. Everything I said is within the law, and everyone else is entitled to say the same thing. This is what I am going to tell the judge. [end recording]

It should be recalled that the government has leveled charges that also affect Democratic Intransigence Movement President Manuel Sanhueza, who is the president of the group of constitutional studies, and former communist lawmaker Alejandro Toro. The charges were leveled in connection with statements the three leaders made to ANALISIS magazine. They are charged with violating the internal security law by, among other actions, offending the president, calling for a national stoppage, and instigating disobedience within the Armed Forces.

After being questioned by Judge Sergio Mery for 35 minutes, Palma was ordered arrested. The judge decided that he will be allowed to receive visits while in jail. Meanwhile, People's Democratic Movement youth President Victor Contreras has said that the movement he leads shares Palma's views.

[Begin Contreras recording] We want to express our full solidarity with Andres Palma and with the PDC youth, because we agree with what Andres toldANALISIS magazine. We are convinced that all social and political forces must mobilize to put an end to the regime. This is the target of the struggle that the Chilean youth have waged over the past few years. The youths have played a major role in the mobilization, and several young people have been repressed because of this. Thus, we agree with Andres that Pinochet will have to be expelled, because he will not leave on his own will. We believe that to attain this goal, the various youth political and social organizations must take steps forward and give an example of unity in our action and in the search for a sociopolitical accord. [end recording]

EXILED FORMER SENATOR MIRANDA RETURNS TO MEXICO

PY162010 Santiago EL MERCURIO in Spanish 12 Feb 86 p C 3

[Text] Yesterday, Former Senator Hugo Miranda severely criticized the National Accord before returning to Mexico where he has been living since February 1975, when he was expelled from the country. He classified the National Accord as "limited, excludable, vague, and unfeasible." Miranda had been in Chile since 30 January 1986, when the authorities permitted his return to visit his mother, Flor Ramirez, who is seriously ill at the La Serena hospital.

The former senator and former president of the Radical Party deemed the Accord "limited because it is circumscribed to the opposition parties I call "last minute", putting aside the "old time" opposition members, the popular parties. Consequently, an incomplete call does not seem entirely democratic to me," he said. "I have received the National Accord, and I have said so abroad, as a sign of the increase in the number and volume of the opposition, but I deem the project unfeasible and not democratic because it does not comprise the opinion of the great majority of the opposition."

Miranda also criticized the dispersion of the opposition, but confessed his optimism that this situation will be overcome. He insisted that "the unity of the opposition in carrying out a feasible project, with a really democratic political solution, is necessary." As advice for the opposition he said "it is necessary to unite, to unite loyally, honestly, with a sense of ethics, and through projects which can really mobilize the people."

"I believe," he added, "that this year will be important. There will be more and more dynamic, aggressive, and penetrating social mobilization, but the ones who want to apply imported models to the Chilean reality are quite wrong. Chile cannot become Sweden or the Soviet Union overnight. When certain people believe, as I do, that the strengthening of the left-wing parties is necessary, they are not, however remotely, thinking about reviving the Popular Unity, which was a full, rich experience, but one meant for another time. The present moment is different."

MINISTER ON NEED TO REVITALIZE CARTAGENA CONSENSUS

PA182033 Bogota Radio Sutatenza Network in Spanish 1200 GMT 17 Feb 86

[Excerpt] The ministers of development and economic integration of the Andean Pact have agreed to adopt an emergency plan to save that agreement and indefinitely postpone the signing of a protocol modifying the Cartagena Consensus.

We have Economic Development Minister Gustavo Castro Guerrero on the line. He just attended the Caraballeda meeting, and we would like him to please tell us the conclusions of this important meeting.

[Begin live telephone relay] [Castro Guerrero] We agreed on three points: First, to implement an emergency plan that allows us to reactivate trade among the five countries that signed the Cartagena Consensus as soon as possible. There was no difficulty regarding that issue. We agreed on that quickly and the commission on the Cartagena Consensus, headed by Nora Rey, must draft the outline of this emergency plan in the next few days.

Second, we discussed the criteria that must be used by the countries in the area concerning the useful foreign investment. There wasn't much argument about this. We must highlight the consensus among all the countries in order not to dismantle the basic structure of Decision No 24, but to make small changes that seek to make the useful foreign investment in our countries more flexible.

Third, we discussed the protocol that will modify the agreement. We truly identified the points of agreement and those of disagreement. The latter will be discussed in the next few days to try to overcome them so that we can sign the modifying protocol [protocolo modificatorio] in the next few months.

[Question] So, the meeting that was to be held in Santa Cruz, Bolivia to make a decision on this protocol was suspended indefinitely?

[Castro Guerrero] Yes, we decided to postpone it but not indefinitely, as you said. We decided to postpone it and will set a new date for it this week. I am to hold meetings with members of the Cartagena Consensus board who are the ones who should now take steps to see how a consensus is reached by reconciling the various views. I repeat: The main disagreements are those that affect the safeguard clauses [clausulas de salvaguardia]. Regarding this, Venezuela maintains that there are products that although their restrictions were removed in 1970, now -- 16 years later -- they still affect Venezuela's industrial production. I think that Venezuela is right and thus we must redraft everything concerning the safeguard clauses so that they can be used when there are serious disorders that affect a country's economy.

However, there are countries, like Ecuador, that are truly opposed to changing the safeguard clauses. This is where we stand.

[Question] Mr Minister, the international media is always observing that representatives of the various governments that comprise the Andean Pact are constantly meeting to try to strengthen the Cartegena Consensus; however, one continues to watch this, and a standstill seems to be the usual outcome. This is worrisome. How did you view those who gathered with you in these recent deliberations? Do they truly agree on strengthening the pact?

[Castro Guerrero] I attended a meeting in Cartagena and now this one. I admit that there is a lot of rhetoric on the Cartagena Consensus among those who attend these meetings.

The former leader is in favor of obtaining a democracy "with prospects of modification and social change," and indicated that he is against projects which aim at establishing a popular or workers' democracy "which I do not believe to be adequate for the country at the moment," and at the same time he also rejected "negotiation for the establishment of a restricted democracy."

He concluded by saying that a representative democracy is not sufficient, because the world has developed and there have been social changes throughout the planet, which means that the concept of democracy has become broader. "We are going back to Jean Jacques Rousseau's classical concept of democracy which emphasized the equalitarian sense of democracy as its essence. Therefore, it is not just to achieve a democracy with free open periodic elections, but to establish a democracy which means participation of the people in all levels of the social, economic, and cultural life, and which, consequently, becomes an advanced democracy compared to what we had until 1973."

NUCLEAR EXPERT CRITICIZES GOVERNMENT POLICY

PY142243 Santiago EL MERCURIO in Spanish 10 Feb 86 p C 3

[Excerpts] "If Chile had an adequate policy in the nuclear energy field, it could develop an adequate infrastructure to meet the domestic energy consumption demands. The necessary manpower could be trained in a short time, a task that is currently being fully undertaken by the University of Chile." This statement was made by Carlos Infante upon the conclusion of a course called: "Nuclear Physics: Basic Research and Applications." Infante is an academician at the University of Chile, Faculty of Science.

Infante said that "Chile possesses the La Reina nuclear reactor. It would be very useful to maintain it. Presently, only 10 percent of its capacity is being used because it is felt that this is sufficient. In this regard, an adequate policy is lacking in our country." Dr Infante added that "in 1984, the average energy consumption in Chile reached 1,500 megawatts and with two large reactors (because this is the only way to lower the costs) these needs will reportedly be met. The energy consumption increase during certain hours in winter justifies the installation of a nuclear reactor. This is something that will be reviewed in 1990."

The review of this problem is justified by the high cost incurred in meeting energy demands which "are currently met by operating the Renca and Quintero thermoelectrical power plants. However, these plants produce energy at a very high cost because they are mainly operating on petroleum. This could increase the need for a reactor," Infante said. The reactor in the La Reina Research Center is currently being used for industrial and medical purposes, making it a leading center in these fields in Latin America.

BRIEFS

BANK INTEREST RATE REDUCED -- The State Bank president has announced that the bank will reduce its real annual interest rate to 6 percent as of next month. The bank's 19,000 production debtors, as well as many others, have said that this measure is stimulating and in keeping with current times. The State Bank president also said that debtors should renegotiate their debts for new payment terms, which should not exceed 10 years. [Summary] [Santiago Domestic Service in Spanish 1000 GMT 10 Feb 86 PY]

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Although it is true that Colombia has increased its trade with Venezuela and Ecuador through bilateral agreements in which they have tried to follow the clear lines of the Cartagena Consensus, I must concede that bilateral agreements are not the multilateral philosophy that must prevail in the Cartagena Consensus. Colombia has been able to increase its trade, and now it is at the same level with Venezuela and Ecuador. It is at the highest level in the past few years. However, I must admit that essential differences still prevail. We gain nothing by hiding them. There are essential differences and also differences in philosophy. It is almost impossible to reach agreements when there are two radically opposed positions from the philosophical viewpoint. However, this should not make it appear that it is not possible to reach an agreement. I repeat: We will increase our efforts in the next few days to reach an agreement. However, there are philosophical differences. One view is that held by Colombia, Venezuela, and Peru. Its goal is to find an expanded market for our productive sectors. We are interested in the internal development of our economy, and the social and economic growth of our nations. There is another philosophy: that of Ecuador. It seeks to balance trade right now. [end recording]

BISHOPS MEET, APPEAL FOR CLEAN ELECTIONS

PA180203 Bogota Television Service in Spanish 1730 GMT 17 Feb 86

[Text] The bishops met and discussed several matters this morning. During its meeting in Bogota today in anticipation of the pope's visit, the episcopate's plenary assembly appealed to Christians to cast their votes in a clean, unmanipulated way in the coming elections. This has been explained by Msgr Silverio Buitrago, archbishop of the convulsed Cauca area.

[Begin recording] [Buitrago] All of us should be aware of the importance of our votes. This vote of ours should be free, responsible, honest, and secret. This right to cast a vote should be guaranteed.

[Unidentified reporter] Do you think there is a proper climate for the electoral process in Cauca?

[Buitrago] I think there is, although Cauca, as the people well know, has been taken by the subversive groups to a certain extent to turn it into another Sierra Maestra, so to speak. [end recording]

In addition to analyzing the electoral process in the episcopal meeting, the 74 bishops will complete details for the pope's visit. On opening the meeting, Msgr Hector Rueda said this about the country's current social situation.

[Begin recording] Apparently, the country's economic penury has been alleviated through international credits and the coffee bonanza. Most of the Colombian people, however, have continued to be hard hit by the high cost of living, unemployment, and insecurity. [end recording]

PATRIOTIC UNION URGES FARC FRONT TO END FIGHTING

PA172145 Madrid EFE in Spanish 1300 GMT 17 Feb 86

[Text] Bogota, 16 Feb (EFE) -- The Patriotic Union Party, UP, founded by the Revolutionary Armed Forces of Colombia, FARC, which has observed a truce since 1984, today asked the members of the 14th Front to stop fighting the Army.

UP coordinator Braulio Herrera announced that he will ask Manuel Marulanda Velez, alias Tirofijo, founder and main leader of FARC, to order the 14th Front to stop fighting.

The presence of the 14th Front in Yondo, Antioquia Department, forced the Army to militarize the oil zone in Magdalena Media, in the northern part of the country, which caused the exodus of more than 4,000 peasants to Barrancabermeja, Santander Department.

Herrera and Carlos Morales, a member of the Peace Commission, met in Barrancabermeja, where the peasants have taken refuge in public buildings. Herrera, leader of the new political party, talked to Jorge Sepulveda Patino, mayor of Barrancabermeja, to find a solution to the exodus of the peasants.

Meanwhile, the government has reiterated that military vigilance will continue in the zone, in order to guarantee that the 9 March legislative elections are held under normal conditions.

FARC Imposes Condition

PA190004 Madrid EFE in Spanish 2316 GMT 17 Feb 86

[Text] Bogota, 17 Feb (EFE) -- Today, the Revolutionary Armed Forces of Colombia, FARC, said that they will withdraw from the Middle Magdalena region provided the Army ends its operations and withdraws its troops from the area, where more than 4,000 peasants have abandoned their land fleeing the fighting.

This was reported by Braulio Herrera, spokesman for the Patriotic Union, UP, a party founded by FARC to participate in politics after the 1984 truce with the Colombian Government.

Herrera said that Manuel Marulanda Velez (alias Tirofijo), founder and top leader, has said: "If the president of the Republic orders the Army to suspend its operations in the Middle Magdalena region, the 14th Front will do the same and will avoid clashes."

The UP coordinator said that the first step to end the clashes and allow the return of the peasants, crowded at present into schools in Barrancabermeja Santander Department, will be "the bilateral suspension of hostilities."

Herrera added that FARC has requested a meeting in the next few hours with the commission for Peace, Dialogue, and Verification of the Agreements, in order to study the situation of the refugees in Barrancabermeja, where food is scarce and school activities have been stopped to house the refugees.

Moreover, five representatives of the peasant refugees travelled to Bogota, 400 km south of the Middle Magdalena region, to meet with President Belisario Betancur. They demanded the withdrawal of the Army troops and free navigation on the Magdalena River so the inhabitants could return to their lands.

AMERICA BATTALION ANNOUNCES ARMED STRUGGLE

PA141445 Bogota EL TIEMPO in Spanish 10 Feb 86 pp 1, 3 A

[Excerpt] A soldier, a policeman, four guerrillas, and a peasant died yesterday in an attack by the FARC in Yondo, Antioquia, and an attack by the 19 April Movement [M-19] on a patrol in southern Bogota, where the America Battalion, which is made up of guerrillas from other countries, announced the beginning of the armed struggle in the cities.

The police told EL TIEMPO that troops of the 5th Brigade clashed with guerrillas of the 14th FARC Front in Yondo. As a result of the clash, three guerrillas, a soldier, and a peasant were killed and the area, which is an Antioquia, had to be placed under military control.

In the Vistahermosa district in southern Bogota, three men and a woman -- all of whom belong to the America Battalion -- attacked a police patrol and killed policeman Ruben Dario Gomez Reyes. Later, a guerrilla was killed and seven others, who were carrying explosives, were captured during a raid.

This is the first time that the America Battalion is known to have staged an incursion into a city because the guerrillas wrote slogans on the walls announcing the beginning of the armed struggle in Bogota. Personnel from the artillery school placed the area under military control and raided a residence in Las Torres, where they seized propaganda material of the M-19.

M-19's 'RADIO MACONDO' BEGINS TRANSMISSIONS

PA151810 Madrid EFE in Spanish 1633 GMT 15 Feb 86

[Text] Bogota, 15 Feb (EFE) -- A guerrilla radio station of the "19 April Movement" (M-19) of Colombia began to operate under the name "Radio Macondo," the mythical town of the novel "One Hundred Years of Solitude," written by Nobel laureate Gabriel Garcia Marquez.

"Radio Macondo," which has been heard in the past few hours in Bogota, stated that the station will initially "cover the central part of the country" and that it can be tuned on a modulated frequency.

In its first broadcast, the station proposed a "national town meeting in which the people would be the great jury."

It stated that this is an "M-19" effort involving the participation of "centrist milita forces in the transmission itself, as well as the rallying of sectors to protect the headquarters."

Stimultaneously, the "M-19" sent a bulletin to the media announcing "the opening of Radio Macondo" and invited them to tune in.

Military and police authorities are trying to determine the whereabouts of Radio Macondo's transmission center.

RECONCILIATION WITHIN COLORADO PARTY PROPOSED

PY182038 Asuncion EL DIARIO in Spanish 18 Feb 86 p 6

[Text] "With loyalty and good will," a group of Colorado Party members has submitted to the Government Junta of the Republican National Association (Colorado Party) a proposal for celebrating the first centennial of the party's founding. The document says that in order to achieve the reconciliation and unification of the party, "all of us must forget offenses and assume conciliatory attitudes." According to the information we have, the Political Committee of the party's Government Junta will study this document today.

The document was given to the president of the Government Junta, Dr Juan Ramon Chaves, on 3 February, and it bears the signatures of former ministers, former congressmen, and former members of the party leadership. The document says that it is intended to convey the concern and suggestions of a group of citizens who, by tradition and conviction, are steadfast members at the service of the Colorado Party.

A passage of the document reads: "A political organization like ours, Mr President, that is about to reach its centennial with a record of almost 30 years of political hegemony in the past century and almost 40 years of government in this century deserves to commemorate the occasion in a way that is not only a remembrance of our party's glorious past. It will be reasonable and just to exalt -- as we all will gladly do -- the events and personalities that have contributed to the creation, growth, and consolidation of our powerful party. But nothing will be better in this centennial than the expressed will of all Colorados to eradicate, or at least smooth out, the problems presented by the party's current situation."

The document then adds: "It is understandable that in the long years our party has been in government that it had to suffer the impact of actions and reactions that may well have disturbed the harmony among its members. And it should surprise no one that dispersive or splintering trends appeared in the party's midst -- as frequently occurs in democratic organizations -- in the wake of impassioned disagreements, or unbridled ambitions, or because officials who control public order have more frequently sought the most expeditious, although not the most sound, solutions. Nevertheless, and whatever its causes -- which are always many and complex -- this is our political reality. We look like an archipelago of dispersed groups where fertile land for resentment and attitudes that can be detrimental to party interests, and even to the national interests, can be found. When discord reaches such an extent, it is time for the party leadership to attempt to find adequate solutions, which can only be found by the practice of politics understood as the art and science of the ability, imagination, and prudence that make a government just and the people happy. And we have no doubt that the honorable Government Junta under your presidency will face up to the challenge of our reality by formulating a party policy that suits the needs of the new times.

"Mr President, we submit this proposal to you with loyalty and good will, with no other purpose than serving the good of our party and the happiness of our nation. It is opportune to recall, Mr President, a historical event of the not too distant past which we nostalgically remember as an example of civic and party maturity and responsibility. In mid-1955, conditions similar to those prevailing today hindered the party's operations at a time when serious external threats hung over the country. In those circumstances, our leaders and governors found, at the precise time, the formula capable of reuniting the dispersed Colorado groups. We will never forget that 27 October 1955 marked a happy hour of rediscovery and unification of all the party members."

Elsewhere, the document adds that "to commemorate the happy events that shape the political existence and power of our glorious Republican National Association, we believe that a call for the unity of all Colorados should be in order. To that end, all of us must forget offenses and assume conciliatory attitudes so that disagreements and discord can be tempered, thus restoring family bonds within the ANR. This is our best wish, not only for partisan but for national reasons as well. Anyone who believes that we are making a proposal out of sectarian motivations is mistaken. It will perhaps be advisable, Mr President, to note the subtle connections that tie the national concord to the reconciliation of all Colorados. It will be difficult, maybe impossible, to secure national concord if we cannot rally all Colorados together. Only by bringing together the archipelago of dispersed groups will we again be a human continent of undoubted civic potency capable of serving the best national aspirations."

This document was accompanied by a memorandum of suggestions for the Government Junta regarding the approaching centennial of the ANR's founding in 1887.

The document is signed by Dr Edgar L. Insfran, Mayor (SR) Hugo Couchonal Lagrave, Eng Lorenzo Mengual, Dr Carlos Zayas Vallejos, Dr Carlos Maria Ramirez Boettner, Dr Honorio Campuzano, Don Ernesto Barchelo, Dr Atilio R. Fernandez, Dr Antonio Salum Flecha, Don Enrique Volta Gaona, Dr Efrain Enriquez Gamon, Dr Oscar Facundo Insfran, Dr Horacio Galeano Perrone, Dr Victor Hugo Sanchez, Surveyor Sila Estigarribia, Dr Felipe Nery Huerta, Dr Luis Torres Salinas, Dr Marcial Valiente, Don Marcelo Abente Argana, Dr Pastor C. Filartige, Don Odilon Benitez, Dr Antonio Fernandez Gadea, Don Gerardo Herrero Cespedes, Prof Simeon Lombardo, Don Anibal R. Martinez, Don Lorenzo Garbet, Dr Nelson Villate, Don Marcos A. Morinigo, Don Hermes Troche, Dr Ovidio Fleitas, Don Bernardo Rodriguez, Don Jose Rodolfo Ocampos, Don Carlos Waldemar Acosta, and Accountant Justo German Ferreira.

CHURCH ISSUES DOCUMENT ON NATIONAL DIALOGUE

PY190042 Asuncion HOY in Spanish 18 Feb 86 p 8

["Text" of document issued by Asuncion Archbishop Ismael Rolon on the national dialogue, released on 17 February]

[Text] "It happens at times that important and burning issues, like embezzlement and robbery within state institutions, illegal acquisition of dollars at preferential rate of exchange from the Central Bank, contraband, and crimes, either by fatigue, mental exhaustion, or on orders from above," vanish little by little. Thus, nothing happens here. Will the national dialogue suffer the same fate?

"The Church is willing to cooperate, and is preparing for this task. We think that the people are alert, keeping their minds and eyes open to the subject. A small snowball is beginning to roll down the hill....

"The newspapers and radio stations have provided much information on the opinions, for and against dialogue, on those who want it and those who reject it, and why. We consider this diversity of opinions natural and useful. The broader these diversities and disagreements are, the better it is to try a dialogue with those who use good judgment and know-how to appreciate the well-being of all. We believe that these disagreements are the precursor of dialogue. For this reason, they must not be stopped.

"Although some claim that 'there has always been political dialogue under the current regime,' or that only the 'regular' groups are in a position to participate in the dialogue, we think that in order to be NATIONAL [preceding word published in uppercase] sectors of opinion and national interest must participate in some way. It is not a question of going against the law, or of trying to replace the authorities. It is a question of a common quest for a happy future, for an era of peace on the eve of the 21st century, of the year 2000.

"Perhaps it would be good to recall briefly some characteristics of dialogue. We do not presume to have the last word on the subject, nor to set definitions, but only to describe it:

"1. It should be kept clearly in mind that dialogue is not an opportinity for lamentations, accusations, recriminations of the past or the present. It is a meeting, an encounter with responsible friends.

"2. There must be interlocutors, with identical rights to speak and identical obligations to listen.

"3. The same language must be used, that is: that each word or sentence must have the same meaning to all. Otherwise, a 'conversation of the deaf' will be held.

"4. Each subject must be discussed thoroughly, avoiding useless digressions that distract. Everyone must speak clearly and briefly. This is no place for political harangues or an academic conference.

"5. Dialogue does not only mean arguing. Generally, he who argues tries to overcome and even to humiliate the adversary. But an intelligent discussion helps to discover or clarify the truth; in this regard, dialogue includes a respectful, intelligent and serene discussion to find the truth.

"6. Party fanaticism must be totally eliminated, because the only and necessary objective is the good of the Paraguayan people.

"7. Dialogue presupposes previous spiritual conditions that perhaps are within the reach of all:

-- To admit one's own errors and limitations;

-- To repent of these errors and limitations;

-- To be willing to improve, as a right and obligation;

-- To admit the importance of the participation of others, because no one has all the true answers;

-- To see the interlocutors as friends interested in the same patriotic work.

"This joint, sincere, and loyal effort will lead us to the NATIONAL RECONCILIATION [preceding words published in uppercase] demanded for so long by all Paraguayans and by history. "We Christian believers are convinced that reconciliation, pardon, and peace are gifts of God. The Episcopal Conference has, therefore, urged the priests and the faithful to ask, in the Holy Mass, for the help of the Lord so that the national peace becomes a reality very soon, through His help with the efforts of man. We are also convinced that each and everyone must shoulder part of the responsibility in the national life."

GOVERNMENT RENEGOTIATES PAYMENT OF FOREIGN DEBT

FL142230 Mexico City NOTIMEX in Spanish 2028 GMT 14 Feb 86

[Text] New York, 14 Feb (NOTIMEX) -- Venezuela, the fourth most indebted nation of Latin America, today obtained the support of the World Bank for postponing its debt payments for 2 years due to the drastic fall of oil prices on the international market.

The committee of banks negotiating the Venezuelan foreign debt, which totals $35 billion, reported it had finished sending telex messages to 450 creditor banks, notifying them that payments due in 1985 and 1986 will be postponed until 1989 and 1990 [years as received].

Venezuela's request, together with that of Mexico, which is one of the most important Latin American oil exporters, was formalized last Tuesday during a meeting of the committee of banks in New York, Venezuelan Finance Minister Manuel Azpurua, and director of Public Credit Jorge Marcano. Today, the committee of banks officially reported it had acceded to Venezuela's request for a 2-year postponement of its foreign debt payments. Venezuela owed its 1985 payments. A spokesman for the committee of banks said: The Venezuelans are very worried by the fall in oil prices.

Despite this restructuring of the Venezuelan foreign debt, both sides -- the committee of banks and Venezuelan officials in New York -- said the firm decision has been taken to sign the agreement to refinance on 26 February, exactly as had been planned. The agreement includes $21.2 billion of the total of $35 billion. The period of repayment agreed on is 12 years, at [words indistinct].

According to the committee of banks, the agreement to postpone payment of the Venezuelan debt was made because the bankers consider that the situation of this Latin American country permits greater flexibility because its foreign debt is relatively low ($35 billion) and the Central Bank has reserves of $15 billion.

A banker said some details must still be worked out but he did not believe the signing of the agreement would be delayed.

GUATEMALA ASSURED OF CONTINUED OIL SUPPLY

PA181748 Madrid EFE in Spanish 0146 GMT 18 Feb 86

[Text] Caracas, 17 Feb (EVE) -- Hernan Anzola, Venezuelan deputy minister of energy and mines, said today that Venezuela will continue to cooperate with Guatemala in supplying oil under the terms of the San Jose Agreement.

Anzola met with his Guatemalan counterpart, Eduardo Castillo Countroux, to discuss matters related to the relations between the two countries in the area of the oil supply.

The Venezuelan minister said that the election of a democratic regime in Guatemala is a factor that will allow the strengthening and expansion of bilateral economic relations and trade.

Guatemala is one of nine Central American and Caribbean nations that receive oil from Venezuela and Mexico at advantageous prices under the pact known as the San Jose Agreement.

At present, Venezuela exports 8,500 barrels of crude a day to Guatemala and participates in technical assistance projects for Guatemala's oil industry, mainly in the form of training for oil experts.

Castillo Countroux is the first high-ranking Guatemalan Government official to visit Venezuela since Vinicio Cerezo became president on 14 January of this year.

FOUR RADIO STATIONS 'TEMPORARILY' CLOSED

PA151708 Hamburg DPA in Spanish 1422 GMT 15 Feb 86

[Text] Caracas, 15 Feb (DPA) -- Four radio stations in Venezuela have been closed temporarily for not complying with the government decree that forces them to broadcast one recording of Venezuelan music for every foreign record played.

The decree, popularly known as the "one for one," was violated by the following radio stations: "Ecos del Orinoco," "RadioReloj," "Radio Aeropuerto Internacional," and "Radiodifusora Andina," all located in cities in the interior of Venezuela.

They will be closed for 72 hours beginning Monday.

BRIEFS

NEW DEPUTY INTERIOR MINISTER -- Interior Affairs Minister Octavio Lepage swore in William Davila, former Merida governor, as the new deputy minister of the interior yesterday. [Excerpt] [Caracas EL UNIVERSAL in Spanish 17 Jan 86 p 1-14 PA]

OIL PRODUCTION -- The Energy and Mines Ministry has announced the official figures for oil production in 1985 as compared with the previous year. The average production for 1985 was 1,564,000 barrels per day. This production figure is 131,000 barrels per day less than that in 1984. [Summary] [Caracas EL UNIVERSAL in Spanish 20 Jan 86 p 1 PA]

DEPUTY URBAN DEVELOPMENT MINISTER -- Urban Development Minister Cesar Quintana will swear in Jose Ernesto Garanton today as the new deputy urban development minister [Summary] [Caracas EL UNIVERSAL in Spanish 17 Jan 86 p 1-14 PA]

COMPTROLLER GENERAL RESIGNS -- In a letter to Reinaldo Leandro Mora, president of the National Congress, Comptroller General Ricardo Sillery Lopez de Ceballo officially presented his resignation today and explained that his resignation is for health reasons and at his doctor's recommendation. Zoraida Garcia Fara is now in charge of the comptroller's office. She will be acting comptroller until the Congress appoints a new official. [Summary] [Caracas Television Service in Spanish 0000 GMT 15 Feb 86 PA]

NEW OIL BED DISCOVERED -- The enterprise Lagoven has discovered a large light oil bed 30 km from Maturin, in Monagas state. It has been estimated that this bed will yield 1 billion barrels daily. The find is regarded as the national oil industry's largest. [Excerpt] [Caracas Television Service in Spanish 1600 GMT 14 Feb 86 PA]

DE LA MADRID CONGRATULATES PORTUGAL'S SOARES

FL180420 Mexico City NOTIMEX in Spanish 0355 GMT 18 Feb 86

[Text] Mexico City, 17 Feb (NOTIMEX) -- In a message sent tonight congratulating Portuguese President-elect Mario Soares, Mexican President Miguel de la Madrid said that friendly relations between Mexico and Portugal will be strengthened during the coming years. The Mexican leader congratulated the outstanding Portuguese politician after the elections held in that country.

De la Madrid said: It is especially pleasant for me to express my cordial congratulations on your electoral victory. I am sure that during your term as president of the Portuguese Republic that the friendly relations that exist between our peoples and government will be strengthend.

De la Madrid concluded by reiterating the friendship and understanding that is shared with Soares.

GOVERNMENT TO CONTINUE SUPPORT FOR NONINTERVENTION

FL171622 Mexico City NOTIMEX in Spanish 2005 GMT 16 Feb 86

[Text] Mexico City, 16 Feb (NOTIMEX) -- The Mexican Government will continue to honor the principle of non-intervention that has distinguished it internationally as the promoter of dialogue and peaceful solutions for world problems, the Mexican under secretary of foreign relations, Ricardo Valero, said today.

He said that in the case of South Africa and Namibia, Mexican policy is based on the principles of independence, nonintervention, and [words indistinct] racial discrimination and apartheid. He stressed the fact that the contributions of the Mexican Government to the world community are important because Mexico has called for the denuclearization of Latin America, a new international economic order, world disarmament, and the elimination of nuclear testing at sea and on land.

Speaking on a Mexican television program, he said Mexico has not varied and will not change its traditional international stance on different world conflicts, which stance is clearly adjusted to the charter of the United Nations.

GROUP OF SIX CALLS FOR HEADS OF STATE SUMMIT

FL180400 Mexico City NOTIMEX in Spanish 0320 GMT 18 Feb 86

[By Yazmin Ross]

[Excerpt] Buenos Aires, 17 Feb (NOTIMEX) -- Mexico proposed here today that the Group of Six call a heads of state summit meeting before the superpower leaders continue their strained dialogue which began last November. The proposal was made by Mexican Ambassador Alfonso Garcia Robles during the technical work meeting the representatives of the six countries held yesterday behind closed doors to discuss disarmament. The proposal is to promote a meeting between Presidents Miguel de la Madrid of Mexico, Raul Alfonsin of Argentina, Julius Nyerere of Tanzania, and Prime Ministers Olof Palme of Sweden, Andreas Papandreou of Greece, and Rajiv Gandhi of India. Mexico will host the meeting.

The group of six was created May 1984 when they issued the declaration of the five continents stating humanity's right to life without nuclear threats. The first summit meeting was held in New Delhi in 1985.

Representatives from the group said the heads of state want to take advantage of the tension created after the meeting between Ronald Reagan and Mikhail Gorbachev to insist on a moratorium on nuclear testing. The most effective method is to unite the six heads of state and insist on the measures proposed 26 October, said officials from the Directorate of Nuclear Affairs of the Argentine Foreign Ministry.

USSR SUGGESTS TECHNICAL, ECONOMIC COOPERATION

FL182248 Mexico City NOTIMEX in Spanish 1708 GMT 18 Feb 86

[By Angel Armendariz]

[Excerpts] Moscow, 18 Feb (NOTIMEX) -- Peter Koshelev, deputy chairman of the USSR's State Committee for Foreign Economic Relations, has said that the Soviet Union wishes to contribute to Mexico's technological independence and is confident of establishing long-term economic ties.

During an interview with NOTIMEX, the Council of Ministers deputy chairman [as received] said the Soviet Union and Mexico have enormous possibilities that have not yet been explored for establishing scientific and technological cooperation.

Koshelev stressed that Mexico has traditionally been friendly with the Soviet Union and because of this there is interest in expanding equal economic ties between the two countries. All that is needed is the final decision to begin the process.

The Soviet official said that falling international hydrocarbon prices, particularly Mexico's, offer the opportunity to establish technological ties in the oil area and the industrialization of natural gas.

Koshelev also reported that a Mexican delegation was recently in the Soviet Union to evaluate technological exchange in nuclear-electrical material, and the USSR offered technology, equipment, and credit.

He also announced that next March the Soviet Union will be able to formalize a contract for transferring copper technology with the Mexican Cananea Mining Company.

The possibilities for technological, scientific, and economic exchanges between Mexico and the Soviet Union are extensive. They will have to be studied and approved before becoming operational, Koshelev said.

The Soviet Union has a technological potential that could contribute to Mexico's economic and technological independence and that could be mutually beneficial for the two countries' peoples, Koshelev said.

DELVALLE, UNADE PARTY LEADERS DISCUSS 'FRICTION'

PA181848 Panama City LA PRENSA in Spanish 12 Feb 86 p 12 A

[By Jose Quintero]

[Excerpts] It has been learned that at a recent meeting that President Eric Arturo Delvalle held with leaders of the National Democratic Union (UNADE), neither the possibility of a government junta nor a strategy to combat the opposition and economic terrorism was discussed.

LA PRENSA investigations revealed that the main purpose of the meeting was to resolve the friction -- over the proportional distribution of the new famous "political posts" -- that exists among the parties that make up the governing alliance, which carried former president Nicolas Ardito Barletta to power.

The free paper of Panama [LA PRENSA] interviewed the president of the Panamenist Party, Luis Gaspar Suarez, and asked him about the meeting. He defined it as a meeting to eliminate "strife within the family," and to smooth out differences among comrades. Suarez said that for 5 hours each party -- PRD [Democratic Revolutionary Party], PALA [Labor Party], Republican Party, Panamenist Party, Liberal Party, and FRAMPO, [Broad Front Party] -- outlined its problems. However, he explained that at no time was an attempt made to take the PRD "to task;" instead, understanding and cooperation were requested in connection with the differing views of administration and in view of the inevitable clashes that occur among parties sharing ministerial and official positions.

Suarez disclosed that to find solutions, the creation of a special commission was proposed, to be chaired by President Delvalle, with the participation of one representative per party. It would meet regularly and coordinate in resolving any willful or involuntary clash, friction, or injury that occurs in order to avoid "political cannibalism" and achieve greater unity within UNADE. Asked about the budget for government institutions like the Public Works Ministry, where reductions led to dismissals and wage cuts, he said that the matter would be studied by the commission. He denied that the group has discussed dismissals; instead, he said, he discussed ways to strengthen the bonds of cooperation among the parties.

To summarize, the special commission, of which Colonel Jose Dominador Bazan [former Panamanian president and father of the present ambassador to the United States] will be a member, will advise President Delvalle on the fair distribution of political posts to avoid a "free-for-all," as occurred at the start of the Ardito Barletta administration when Suarez was obliged to demand that the president define the position of his party, the Panamenist party, within 48 hours.

CONATO REITERATES REJECTION OF LABOR CODE REFORMS

PA181518 Panama City LA PRENSA in Spanish 15 Feb 86 p 1 A

[By Lisette Carrasco]

[Excerpts] The leadership of the National Council of Organized Workers (Conato) remained firm in its opposition to a reform of the Labor Code during the meeting held yesterday with several Cabinet members and members of the UNADE political coalition, claiming that the draft reform is "the same" as the one presented by former President Nicolas Ardito Barletta.

Members of the Panamanian Defense Forces [FDP] also attended this meeting during which the "Plan of Objectives and Actions for the Development of Panama," presented by President Eric Arturo Devalle, was also analyzed. The meeting, held behind closed doors at the La Siesta Hotel, began early in the morning and ended 6 hours later.

Also present at the meeting were Planning and Economic Policy Minister Ricaurte Vasquez, Finance and Treasury Minister Hector Alexander, Labor and Social Welfare Minister Jorge Federico Lee, and Commerce and Industries Minister Jose Bernardo Cardenas. Representing UNADE were Rigoberto Parades, Jose Isabel Blandon, Gerardo Gonzalez, Francisco Harmodio Icaza, and Raul Delvalle.

Representing the FDP were Majors Fernando Quezada, Daniel Delgado and Felipe Camargo.

Meanwhile, we talked with Eduardo Rios, a Conato leader and secretary general of the Single National Union of Construction and Related Workers [Suntracs], who told us the meeting with government officials "was at the invitation of the UNADE sectors and the government in order to explain Delvalle's plan."

He said that the government sector presented Conato the draft Labor Code reforms and added that "it was not difficult to completely refute them and to reject them."

The Suntracs leader feels the reforms to the Labor Code are similar to the ones proposed during the administration of former President Ardito Barletta.

When asked what the reforms to the Labor Code presented by the Delvalle administration covered, the labor leader said that "they cover several articles of the Barletta draft, that is all they do. They attack basic labor rights such as: the waiver of rights, the base salary guarantee, and the minimum wage guarantee."

He explained that the draft reforms to the Labor Code now include an "alleged freedom of hiring, which violates the labor right establishing that the worker is considered the weaker party in the worker versus enterprise relationship. The draft reform points out that we are equal, that is, that the worker is as strong as the enterprise."

He reiterated that Conato clearly stated its stand of "not amending the Labor Code."

When referring to the participation of high-ranking FDP officers, he said that "according to Rigoberto Paredes -- who was apparently coordinating the group -- they are part of an economic team of the government."

COSTA RICA

MONGE DEFENDS POLICY TOWARD NICARAGUA

PA181400 San Jose Radio Reloj in Spanish 0100 GMT 18 Feb 86

[Text] Costa Rican President Luis Alberto Monge Alvarez has said that if he had listened to his opponents there would have been war. Monge said: I think those who have opposed the way I handled relations with Nicaragua did not realize that if I had followed their advice and policies, Central America would have become involved in a conflagration a long time ago. He warned that if that had happened, Costa Rica would have already sacrificed the lives of thousands of Costa Ricans in a war with Nicaragua.

Regarding Nicaragua's explanations, Monge said he would have preferred something more than a statement by that country, but added: our obligation is to maintain peace. An intransigent stance (?would have resulted) in a permanent freeze in relations. An intransigent stance, said Monge, could have prolonged this inconvenient phase of a freeze in relations, or the lack of normalization of relations with Nicaragua. He added: We must recall that Nicaragua, with which we have great ideological differences, was not prepared to get on its knees to apologize to a handful of Costa Rican political leaders. It is enough that they gave us a sign of wanting to give an explanation, which they did not want to do. Monge reiterated that if God had given us a choice of neighbors we would have chosen Switzerland and other countries.

Moreover, it was reported that diplomatic language is not [words indistinct] as President-elect Oscar Arias stated, but rather it is vague, and has always been vague throughout history, the president said. Regarding the normalization of relations with Nicaragua, he said that one cannot say things the way all of us would have preferred. However, he added that this is not an obstacle to maintaining normal relations. Monge reiterated that we cannot stop having normal relations with a country with which we share a common border of 360 km because we cannot move out of here.

GUATEMALA

USAID BIRTH CONTROL PROGRAM ABUSES REPORTED

PA182240 Panama City ACAN in Spanish 1846 GMT 18 Feb 86

[Text] Guatemala City, 18 Feb (ACAN-EFE) -- The Guatemalan Government admitted today it has received reports that the Agency for International Development, USAID, a U.S. Government agency, is conducting sterilization programs on Indians in the western highland.

Guatemalan Health Minister Carlos Armando Soto said USAID's birth control activities "are going to be thoroughly investigated, and if we find out that the Indians are being deceived into participating in the sterilization programs, the law will intervene and we will turn down all aid in this field." He said the Guatemalan Government will not allow a massive sterilization program in the country because "the Health Ministry already has a defined policy on family planning that has been accepted without any obligation by people interested in it. Besides, we are opposed to birth control practiced in an improper manner."

Minister Soto said the government will investigate the family planning programs that the Family Welfare Association, Aprofam, is carrying out in this capital and in other parts of the country.

Soto said there are "many reports that Aprofam is employing family planning methods that are endangering women's health and lives." Soto added that "there are definite reports that the methods being used have in the long run caused serious damage to the womb and even cancer in women who have gone to that organization to participate in the birth control programs sponsored by Aprofam.

"If we find out that Aprofam is conducting a massive sterilization program, the government will immediately suspend the aid Aprofam is receiving from the state for its family planning through sexual education program," Soto said. Soto did not mention the amount of money the state is annually giving to that institution, which, he added, "has an agreement for family planning, but not to use birth control methods that endanger women's lives."

NICARAGUA

COSTA RICAN POLITICIAN FAVORS NEUTRAL BORDER ZONE

PA142307 Managua Radio Sandino in Spanish 1930 GMT 14-Feb 86

[Text] Costa Rica could be regarded as truly neutral state by the world if it would only definitely accept the proposal made by Nicaraguan President Daniel Ortega on establishing a neutral area on the two borders, Costa Rican Humberto Vargas Carbone, representative of the Popular Vanguard Party said. Concerning the presence of contras in his country, Humberto Vargas Carbone said the Costa Rican people are opposed to these foreign troops in their territory, as they create a conflict between the two peoples and are committing acts of vandalism against the Costa Ricans.

[Begin recording] [Vargas] President Daniel Ortega's proposal for establishing a demilitarized zone on both sides of the border could be an important contribution to the good relations and peaceful coexistence between our two countries. We are struggling and will always struggle so that our border with Nicaragua will be a peaceful border and not one of confrontations and war. The Costa Rican people repudiate the presence of the criminal bands, which as you well know, not only attack Nicaragua in order to serve the aggressive purposes of the Reagan administration, but also engage in vandalism and looting in Costa Rican territory.

There is no other alternative but that of eliminating these bands, and then the Costa Rican Government will be able to say before the world that it is a truly neutral nation. But it will be able to do this only when it adopts the political decision to eliminate all of the mercenary bands' strongholds in our territory.

[Reporter] The Guatemalan president recently proposed the creation of a Central American parliament to strengthen ties among the area countries. What do you think of this proposal?

[Vargas] In general, we think the meetings held during the inauguaration ceremonies of President Vinicio Cerezo were positive and will contribute to peace. We think the creation of this Central American parliament or assembly could be an important contribution to what is essential in Central America: halting the Yankee aggressors and establishing peaceful coexistence among our countries. Thus, this could be an important contribution.

[Reporter] Now let us talk about the Costa Rican elections. What do you think are the possibilities of overcoming the economic crisis, and how would you evaluate the electoral process that has just taken place in your country?

[Vargas] The Costa Rican economic crisis has very deep roots, this being the exploitation of U.S. imperialism practically throughout our history as an independent nation. This exploitation is very evident today in our country's huge foreign debt. As you know, our per capita debt is one of the largest in the world. The ruling classes in Costa Rica have lost their power to make decisions on the social and economic problems in the country because they are subject to the rulings of the International Monetary Fund and the World Bank. In other words, overcoming the crisis in Costa Rica means achieving true independence and being able to have a policy independent of the International Monetary Fund and the World Bank, and developing an economy for the benefit of the popular masses.

The current economic system that has been imposed has caused living conditions to deteriorate rapidly. As you know, over 60 percent of the people earning salaries in our country have incomes that do not allow them to cover the basic material needs; unemployment is growing; land distribution occurs less frequently; and small and medium size farms have less possibilities to obtain financial aid. We have a very high percentage of children not attending school. Public health services, even those rendered by the Costa Rican Social Security Fund, have also deteriorated. Our crisis could have serious social repercussions. Conditions must be proper for overcoming the crisis, and in order to do this, very deep political changes must take place. The main change must be the achievement of true independence by our country from U.S. imperialism, which is exploiting us.

[Reporter] What can you say about the elections that recently took place in your country?

[Vargas] The elections are over. Dr Oscar Arias of the National Liberation Party won the elections. We think he will maintain the domestic and international policies and programs carried out by President Monge. We do not expect great changes to occur. However, [words indistinct] and we can only evaluate this administration by its actions, although we will continue to be in the opposition [words indistinct]. [end recording]

5 POLITICAL PRISONERS FREED; OTHERS STILL HELD

PA190011 Hamburg DPA in Spanish 2344 GMT 17 Feb 86

[Text] Managua, 17 Feb (DPA) -- A bulletin released by the Nicaraguan Social Christian Party (PSC) today reported that five political and labor leaders of various organizations opposed to the Nicaraguan Government were freed a few days ago, but the PSC continues to demand the release of more than 10 other activists.

The ones who have been released are: Larry Schoures, Estanislao Ortega, and Jose Altamirano, who are leaders of the Nicaraguan Workers Federation; journalist Luis Mora Sanchez of the Social Democratic Party; and Tomasa Hernandez de Urbina, a PSC activist.

According to government intelligence authorities, several of the released prisoners were implicated in counterrevolutionary activities, including the terrorist plan "Alacran," that sought to destroy economic objectives in Managua by using explosive devices.

The authorities did not file charges against several of the released citizens. Journalist Mora Sanchez spent almost 6 months in jail after he was arrested during a public demonstration by religious people at Sandino International Airport, June 1985 at the time of Msgr Miguel Obando y Bravo's return to Managua following his appointment as a cardinal by the Vatican.

The prisoners whose release the PSC is still demanding are, among others:

Julio Ramon Garcia, Humberto Urbina, Miguel Cisneros, Cesar Flores, Eduardo Paredes, Julio Suarez, Nelson Tabora, Salomon Telleria, and Moises Gutierrez. According to government organizations, some of them have been given various sentences by the authorities for disrupting public order and security.

UNO SUPPORTS OBANDO Y BRAVO'S STATEMENTS

PA172225 Panama City LA PRENSA (NICARAGUA HOY Supplement 8 Feb) in Spanish 15 Feb 86 p 2

[Text] The Labor Commission of the Nicaragua Opposition Unity (UNO) has echoed the statements by Cardinal Obando Y Bravo at the United Nations and the Organization of American States (OAS), and issued a communique recently in San Jose, Costa Rica expressing support for him. The communique, signed by the following labor leaders in exile -- Commission Coordinator Zacarias Hernandez and Executive Director Carlos Martinez -- says in its main paragraphs:

"The Labor Commission concurs with the statements issued by the cardinal claiming that from a pastoral viewpoint, he advocates a national dialogue among all affected Nicaraguan forces, internally and abroad. Apparently, the cardinal's statements upset Nicaraguan dictator Daniel Ortega, who immediately attacked the cardinal, accusing him, as usual, of being unpatriotic."

"Political experience proves that since 1980 the Nicaraguan people have wanted a dialogue between the oppressors and the oppressed. The dictatorship seeks a dialogue with the United States as a ruse to divert international attention in order to obtain political gains in the public opinion sector, thereby gaining time for its expansionist goals."

Meanwhile, some Latin American political leaders -- who are not interested in resolving the Nicaraguan problem, and who only want to antagonize the United States -- are playing the FSLN's game, asking for a dialogue between the dictatorship and the United States to make people believe that the problem is international and not domestic.

Cardinal Miguel Obando y Bravo's position has obtained international acceptance. The Nicaraguan people support the church's position advocating peace. The Nicaraguan Episcopal Conference has expressed support for the cardinal in his brave revelations at the United Nations of repeated violations of human rights, which once again prove the oppression the Nicaraguan people are currently experiencing.

FDN LEADER ON U.S. AID, POSSIBILITY OF INVASION

PA182351 Bogota Television Service in Spanish 0100 GMT 17 Feb 86

[Text] The mediation of the Contadora Group has brought specific results today in Central America: Costa Rica and Nicaragua have agreed to allow patrol operations at their common border by third countries.

The Honduran side of the border remains the focus of greater tension. The Nicaraguan Democratic Force, FDN, headed by Enrique Bermudez, a former Somozist colonel, operates in that region. He was the Nicaraguan military attache in Washington when Somoza was toppled. During a tour of Central America, Carlos Alberto Chica, special Promec news envoy, interviewed him:

[Begin recording] [Chica] How many men are militarily involved in the FDN today?

[Bermudez] Currently, we have more than 18,000 men.

[Chica] Eighteen thousand?

[Bermudez] Eighteen thousand combatants with extensive fighting experience; and we have gained leadership experience on the battlefield itself.

[Chica] Look, some people see you as a person lacking moral authority to lead the FDN militarily because you were colonel of the Somozist Guard.

[Bermudez] I am a career military man; I am professional. I served an institution, not a person.

[Chica] What is your main source of aid?

[Bermudez] Mainly the U.S. Government. We believe that there is now more willingness at the international level and in the United States to grant us aid to launch a final offensive against Sandinism.

[Chica] It is difficult to make predictions, but how long do you think it will take you to control all of Nicaragua militarily?

[Bermudez] If we receive the aid President Reagan will request in the next few days, we can predict that 1986 will be the last year for the Sandinist regime.

[Chica] Is a U.S. military invasion possible?

[Bermudez] We Nicaraguans can resolve this problem ourselves. However, if we do not receive support, there would be no other option than a U.S. invasion, because if that measure does not pass, a new bastion of the USSR expansionist policy will take hold. [end recording]

U.S. ATTEMPTING TO HOLD UP $50 MILLION IDB LOAN

PA180004 Managua Radio Sandino in Spanish 1200 GMT 17 Feb 86

[Excerpts] The IDB is holding up a $50 million loan for agricultural development projects in Nicaragua because of threats by the U.S. Government. President Commander Daniel Ortega made this announcement this weekend. In the traditional "Face the People" program, held this week in Chinandega, Daniel Ortega said that one year ago the IDB approved the loan. However, it will not deliver the funds because the Reagan administration has threatened the bank.

Addressing a large crowd of workers and medium-and large-scale growers in the western part of the country, Commander Ortega said that it is hard to carry out an economic program in the face of aggression. He said that when we plan, we must make conservative estimates, bearing in mind foreign cooperation and making a realistic appraisal of our domestic possibilities.

U.S. Congressmen from Oregon (Jeanette Andy), Republican, (Mike Burton), Democrat, and (Frank Roberts), Democrat, [names, titles as heard] also attended this "Face the People" program. Commander Ortega explained to the members of Congress that farmers lack security because of the aggression facing the country. The senators [as heard] asked representatives of the private sector to testify before the U.S. Congress so that the U.S. public will know the facts and reject the new request for aid to the counterrevolutionaries.

The Nicaraguan president explained to the visitors how the bands financed by the United States force farmers to abandon their farms in the war zone. He said that the aggression forces us to expand the agrarian reform to meet the demands of the displaced people.

The president of the republic urged all Nicaraguans to increase their true work day to bolster our country's economy. In the "Face the People" program in Chinandega, Commander Ortega said that in order to increase the productivity and efficiency of our work, we must follow a discipline of Sandinist awareness.

[Begin Ortega recording] As far as the labor problem is concerned, as far as the plan is concerned, we face a reality. In this country, in these days, the real 8-hour workday has been reduced to 4 hours; that is the truth. Those who work efficiently can complete their workday in 4 hours. Those who loaf can spend up to 10 hours, but in 4 hours, [applause] in 4 hours a workday can be completed. The great challenge we are facing is to start increasing our true work day, because we would be misinterpreting the revolution's victory if we believe that now we can rest more and work less. And then how about production? How about production? In order to increase production, we must work more. [end recording]

SOCIALIST COUNTRIES SEND MESSAGES TO 3D CONGRESS

SED Greetings

AU070744 East Berlin NEUES DEUTSCHLAND in German 4 Feb 86 pp 1-2

[Text] East Berlin (ND) -- The SED [Socialist Unity Party] Central Committee sent the following greetings message, signed by General Secretary Erich Honecker, to the Third Communist Party of Cuba [PCC] Congress, which is starting today in Havana:

Dear comrades:

The SED Central Committee extends to you, the delegates to the Third PCC Congress, to all Cuban Communists and working people revolutionary and fraternal militant greetings.

The excellent balance which your party congress may draw fills us with great pleasure and respect. Under the proven leadership of its battle-tested Marxist-Leninist party, with its first secretary, our esteemed friend and comrade Fidel Castro, at its head, Cuba has developed -- in a historically short period of time -- into a firm bastion of real socialism on the American continent. Through creative application of Marxism-Leninism and based on the revolutionary enthusiasm of the workers' class and its allies, the fraternal Cuban people have further developed the material-technical base of socialism and have achieved exemplary performances in all areas of society. Important experiences have been undergone in building socialist society under the complicated conditions of a formerly deeply backward, dependent country.

At the same time, the Cuban people have steadfastly and consistently repelled all attacks on imperialism and have reliably defended the achievements of their revolution. Thus, the firm basis was created on which your party congress will decide new guiding tasks for further improving socialism in Cuba.

Your party congress takes place at a time when decisions are made that are of the utmost importance for the fate of mankind and for further international development. The USSR and the other socialist countries are struggling to preserve peace and create favorable external conditions for shaping socialist society. In this respect, Mikhail Gorbachev's proposals of 15 January 1986 for ridding the world of nuclear weapons are of outstanding, even historical, significance and deserve the entire world's support.

With its active, creative foreign policy, Cuba makes an important contribution to strengthening the community of socialist states and preserving and safeguarding peace. Cuba's active role in and great commitment to the Nonaligned Movement, the struggle for peaceful coexistence, disarmament, and detente, and its energetic solidarity with the peoples fighting for their freedom and independence are recognized worldwide. Its active work for a peaceful solution to the conflicts in Central America and other regions of the world, for the reorganization of international economic relations on a just, democratic basis, and for solving the problem of the developing countries' indebtedness have further increased Cuba's international authority.

Dear comrades: In our country all activities are currently influenced by the preparation for the 11th SED Party Congress. The excellent results of the great popular movement for preparing for the party congress in all areas of society prove that our party's tested policy is supported by the entire people.

With this the GDR working people make their conscious contribution to further strengthening socialism in the center of Europe and to the peace policy of the German worker-peasant state.

Located on the border between the two social systems in Europe, the GDR, at the side of the fraternal socialist countries, will continue to hold an active political dialogue in order to contribute to an improvement of the international situation.

The close and fraternal militant alliance between our two parties, states, and peoples, which is based on socialist internationalism, has fully proved its worth. We note with pride and satisfaction that the May 1980 treaty of friendship and cooperation between the GDR and the Republic of Cuba is being implemented in a manifold way in all fields of political, economic, and cultural cooperation. Active solidarity with the first socialist country in America is a point of honor and a matter of the heart for GDR Communists and citizens.

The SED Central Committee wishes the Third PCC Congress much success and the fraternal Cuban people further great successes for the benefit of Cuba and our common cause of socialism and peace.

RCP Message

AU071322 Bucharest SCINTEIA in Romanian 6 Feb 86 p 5

[Report on "RCP [Romanian Communist Party] Message of Greetings" delivered by Iosif Banc, member of the Political Executive Committee of the RCP Central Committee, to the Third PCC Congress in Havana on 5 February]

[Text] Esteemed comrades: On behalf of the RCP and its secretary general, Comrade Nicolae Ceausescu, we want to extend warm, comradely greetings to the delegates to the Third PCC Congress, the Communists, and all working people in the Republic of Cuba, as well as wishes for complete success in the proceedings of your congress.

The Romanian Communists and all our people are familiar with and appreciate the important achievements registered by the Cuban people -- during the years of socialist construction and under PCC leadership -- in developing the economy, science, culture, and education, and in constantly improving their material and cultural standard of living.

We are firmly convinced that the tasks that will be proposed at this congress for the coming period will ensure Cuba's accelerated socioeconomic development and a further improvement in the Cuban people's well-being.

We want to take this opportunity to stress with satisfaction the fruitful development of relations of friendship, cooperation, and solidarity between the RCP and PCC and between Romania and Cuba in the spirit of the meetings and understandings between Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, and Comrade Fidel Castro Ruz, PCC first secretary and president of the Councils of State and Ministers of the Republic of Cuba.

We want to express our firm conviction that these positive relations will continue to develop and deepen in the future, to the benefit and in the interest of our peoples and the cause of peace and socialism.

The message then outlines the achievements registered by the Romanian people in various areas of activity.

At this point, the Romanian people, closely united around the RCP and the party secretary general, Comrade Nicolae Ceausescu, are firmly engaged in implementing the party program of building a comprehensively developed socialist society and Romania's advance toward communism and the 13th party congresses decisions aimed at raising the country to new heights of progress and civilization.

Concerning themselves with resolutely implementing the program of socialist construction in Romania, our party and state are also carrying out extensive international activities and are promoting a policy of peace and cooperation with all peoples in the world.

The RCP believes that the current international situation continues to be very serious because of the unchecked continuation of the arms race, the existence of numerous conflicts and tension, the world economic crisis, and the policy of force and interference in the domestic affairs of other countries. All this has led to an unprecedented aggravation of international relations and to the maintenance and even increased danger of a new world war which, under current conditions, would lead inevitably to nuclear catastrophe.

Under these circumstances, we believe that the basic problem of our era is to halt the arms race and to proceed to disarmament, primarily nuclear disarmament, and defend people's and nations' supreme right to existence, free life, and independence.

The Romanian people -- in fact all peoples in the world -- have followed with keen interest the summit meeting between the leaders of the Soviet Union and the United States, a meeting that represented an important event in the current international situation. That meeting ended with certain positive results.

At the beginning of the current year, CPSU Central Committee General Secretary Mikhail Gorbachev presented the new proposals of the Soviet Union regarding reducing nuclear weapons and eliminating the entire arsenal of nuclear arms by the year 2000. The RCP views this program as very important. Its fulfillment will, without doubt, be of great significance for overall international developments and will eliminate the greatest danger that threatens the very existence of life on our planet. It is therefore necessary for us to support this program firmly and to act with great determination to implement it.

At the same time, Romania believes that activities aimed at general disarmament and reducing both conventional weapons and troops must be intensified, because only in this way will we be able to ensure a general lessening of tension and eliminate the danger of new wars. At the same time, our party and state believe that it is and will continue to be necessary to reduce military expenditures as an expression of the desire to implement general and nuclear disarmament programs in order to create conditions for eliminating war from peoples' lives.

Within our international activity we pay particular attention to relations with the socialist countries and to strengthening their unity and solidarity in the struggle for peace and socialism. We also develop relations with developing countries, with developed capitalist countries, and with all countries in the world, regardless of their social system. All those relations are based firmly on the principles of full equality of rights, national independence and sovereignty, noninterference in domestic affairs, and mutual advantage.

We advocate firmly the settlement of all conflicts and states of tension in various parts of the world by exclusively political means and negotiations in order to eliminate for good the use or threat of force in interstate relations.

Romania is in full solidarity with the struggle waged by the peoples in Central America and by peoples everywhere to defend their rights to decide independently their means of socioeconomic development, without any outside interference. In this respect, we value the efforts made by the "Contadora Group," whose initiatives may contribute to the settlement of the situation in Central America by negotiations and to defending and safeguarding those peoples' right to free and independent development.

Our party and state are particularly concerned about the accentuation of the phenomenon of underdevelopement, the widening of the gap between the developing and developed countries, and the problem of extremely high foreign debts that burden the developing countries, a fact that requires the establishment of a new international economic order based on full equality and equity in interstate relations.

The RCP is developing relations of friendship and solidarity with all communist and workers' parties and struggles untiringly to achieve a new type of unity based on the principles of equality of rights and respect for each party's right to establish independently its political line and its revolutionary strategy and tactics. We also promote broad cooperation with the socialist and socio-democratic parties, with the national liberation movements, and with all revolutionary, progressive, and anti-imperialist forces interested in establishing an atmosphere of peace and international security.

We believe that strengthening the cooperation and unity of action of all those revolutionary and progressive forces of the present-day world constitutes a decisive factor for asserting a new trend in the international arena, a trend of understanding, cooperation, and peace in order to ensure each people's sacred right to decide independently their destiny and to achieve their aspirations for freedom, independence, and progress. Within this framework, our parties and countries are able, in our opinion, to make an important contribution to resolving the great problems confronting mankind today and to the triumph of the ideals of socialism in the world.

We extend warmest wishes for success to you in implementing the important decisions that will be adopted to serve the interests of the friendly Cuban people and the cause of peace and social progress, of building a better and more just world on our planet.

RCP Central Committee

CHURCH LEADERS ADDRESS NATIONAL MEETING

PA181746 Havana International Service in Spanish 1600 GMT 18 Feb 86

[Text] The president of the Cuban Episcopal Conference, Msgr Adolfo Rodriguez Herrera, has affirmed that the church in Cuba must be open and provide for dialogue and participation. Msgr Rodriguez spoke Monday at the opening session of the Cuban national church meeting, together with Cardinal Eduardo Tironio, the archbishop of Havana; Msgr Jaime Ortega; and Bishop Dario Castrellon, secretary general of the Latin American Episcopal Conference.

The archbishop of Havana noted that the Cuban church seeks to better serve the people, their happiness, unity, and progress. Cardinal Tironio said that the pope is paying close attention to this church meeting, while Bishop Dario Castrellon described it as extremely important and responding to the spirit of renovation within the church.

A young delegate, a university student from Santiago de Cuba, recalled that Catholics live and work in a socialist society and expressed the desire of the laity to strive increasingly for the development of our people and to contribute to social unification.

Pope Sends Message

FL182326 Bridgetown CANA in English 1719 GMT 18 Feb 86

[Text] Vatican City, Feb 18, CANA-REUTER -- Pope John Paul said in a message published today that a current conference of the Cuban Roman Catholic Church should be inspired by the past sacrifices of Cuban Catholics. The message, interpreted by Vatican observers as a call to Cuban Catholics to remain faithful to the church's teachings, was sent by the pope to a week-long ecclesiastical meeting of the Cuban church in Havana.

The meeting, which began yesterday, will seek ways of strengthening the activity of the Cuban church without running foul of the communist government. The 1959 revolution established atheism as official policy in Cuba but President Fidel Castro is now trying to improve relations with the Vatican, and the ecclesiastical meeting was organized with full government approval. The government provided visas for several church leaders from abroad to attend the meeting and Cuba's Ambassador to the Holy See Luis Esteves attended the opening ceremony.

Our church has to be the church of openness, the church of dialogue, said Bishop Adolfo Rodriguez of Santiago de Cuba in a speech to the conference at the Calalinas Convent here. The church wants nothing more than the space necessary to accomplish its mission, the bishop added, stressing that it did not wish to be seen as a potential opposition force to Cuba's communist government. The conference will debate a working paper which calls for the Catholic Church to accept Cuba's communist society, while continuing to spread the gospel and seek new members.

In particular, the working paper calls for greater church access to the education system and mass media.

Havana Notes Greetings

PA190153 Havana International Service in Spanish 0000 GMT 19 Feb 86

[By Maruja Garcia]

[Excerpts] Pope John Paul II has sent a message of solidarity to the bishops, clergy, and Catholic faithful on the occasion of the Cuban national ecclesiastical meeting being held in Havana from 17 to 23 February. Cardinal Eduardo Piregna, president of the pontifical council for the laity and Pope John Paul II's personal representative, was the bearer of the Roman high pontiff's message.

In his message, the pope hails the work of Cuban Catholics who have been engaged in ecclesiastical reflection since 1979 in each of the country's parishes and at the diocesan level. The results of the survey and consultations conducted were included in the working document which over 200 delegates from all Cuban dioceses are currently debating.

Havana Archbishop Msgr Jaime Ortega has stated that the Cuban Church seeks to better serve the people, their happiness, unity, and progress, and wants to participate in building a new Cuban society. As Msgr Jaime Ortega said in his address to this meeting, the Cuban Catholic Church is not going to ask itself what it must do now, because it already knows, but rather how to do it.

The Cuban national ecclesiastical meeting is being attended by local newsmen as well as over 50 foreign newsmen, including those of Netherlands, Spanish, U.S., Canadian, and FRG television.

VEIGA ENCOURAGES CTC ELECTION OF YOUTHS, WOMEN

FL190058 Havana Radio Rebelde Network in Spanish 0000 GMT 19 Feb 86

[Excerpt] Roberto Veiga, Politburo member and secretary general of the Central Organization of Cuban Trade Unions, has said that Cuba is ready for the 20 February process of electing representatives from the workers' movement, which will continue through 31 March and will be highly democratic in electing the best workers as trade union leaders. Veiga referred to the importance of the assembly process, which involves 50,000 trade union sections throughout Cuba.

Veiga also referred to the goal of electing the greatest number of youths and women possible, and he said women currently compose 36.7 percent of the total labor force, a rate that should be exceeded in leadership roles.

1ST OF 12 NEW SHIPS ARRIVES FROM EUROPE

FL151859 Havana Television Service in Spanish 1800 GMT 15 Feb 86

[Text] The ship Bahia de Manzanillo has arrived at Havana Bay and is docked at the Juan Manuel Diaz Pier. This is the first of 12 ships under construction in European shipyards that should arrive in Cuba before the end of the year.

The Bahia de Manzanillo has a more than 16,000-ton dwt and a speed of more than 15 knots per hour. In addition, it has excellent accommodations to make life more agreeable for sailors.

In the Sevilla and Bilbao, Spain, shipyards, there are seven ships under construction with similar characteristics. In England four ships are under construction for general cargo transport, which will allow for expansion of maritime capabilities and replacement of old ships.

GRENADA

PRIME MINISTER VIEWS 20 FEBRUARY REAGAN VISIT

To Request $37 Million in Aid

FL182316 Bridgetown CANA in English 1651 GMT 18 Feb 86

[By George Worme]

[Excerpts] St Georges, Grenada, Feb 18, CANA -- Grenada's Prime Minister Herbert Blaize plans to ask United States President Ronald Reagan for EC100 million dollars (one EC dollar; 37 cents U.S.) to help rebuild the island's rundown infrastructure over the next three years, Public Utilities Minister Dr Keith Mitchell said today. Reagan will be here for nearly four hours Thursday and will hold separate bilateral discussions with Blaize, when the proposal will be made. He will also meet leaders of nine Caribbean countries.

I think thats a reasonable figure to help the government over the remainder of its three-and-a-half years in office, Mitchell told CANA.

According to U.S. figures, Grenada has received U.S. 72.6 million dollars in American aid since the invation.

With regard to the U.S. president's summit with the regional leaders, Mitchell said he expected the American-sponsored Caribbean Basin Initiative (CBI) would feature prominently in the talks. I don't think the CBI is functioning as it really ought to, and we believe that there is now a need for the package to be restructured, he remarked.

Mitchell said the regional leaders would most likely ask Reagan to help finance the Regional Security System (RSS) shared by seven eastern Caribbean islands. Mitchell said he expected Reagan to give a favourable response to the RSS-related proposal since it would be in Washington's interest to have a secure Caribbean in order to avoid situations similar to the one in Grenada in 1979 when the island's elected government was toppled in a leftwing coup.

Calls Reagan 'National Hero'

FL182120 Bridgetown CANA in English 1929 GMT 18 Feb 86

[By George Worme]

[Text] St Georges, Grenada, Feb 18, CANA -- Grenada's Prime Minister Herbert Blaize today said U.S. President Ronald Reagan could expect a warm welcome on his visit to the small east Caribbean island on Thursday. He told reporters Grenadians considered Reagan their own national hero and he described the United States as our major number one friend.

Reagan is visiting Grenada nearly two-and-a-half years after American troops stormed the island to put down a leftist group that had seized power in a bloody coup. Blaize said that Grenadians feel a sense of gratefulness to the American president for his courage in taking decisive action in helping the island to get out of a hole when we needed him most. We are going to make sure that Grenadians see and have an opportunity to welcome the person they consider as their own national hero, he said.

A public welcome at Queens Park in which Reagan is due to deliver a 15-minute address is among the planned highlights of the visit -- the first by an American president.

During today's news conference, Blaize spoke at length about the foreign assistance Grenada had obtained since the U.S.-led 1983 invasion. The United States has provided the bulk of this aid, with assistance from Britain, Canada, Europe, and Venezuela. We have got friends but our major number one friend is the United States of America, Blaize remarked. Most of the aid had been used by Grenada on infrastructural projects on roads, electricity, water, and rehabilitation of the key agricultural sector.

The prime minister said that his 14-month old administration is prepared to accept aid from donors but on conditions that the aid would help Grenada to stand on its own two feet. We are a proud people. We do not wish to continue to be beggars. We never beg like mendicants. We always seek help but to help us stand on our feet. We don't want hand-outs from anybody no matter how big or large, he added.

Blaize spoke of the Grenada Government trying to reorganize the key sectors of agriculture and tourism which provide the bulk of the island's foreign exchange earnings. He expressed confidence about Grenada's ability to bring about economic development because of the assistance the island was getting for rebuilding its infrastructure. He expected tourism to help a great deal in boosting the economy especially with the Point Salines International Airport now fully opened and that agriculture would be revitalized through help being received from the World Bank, and the Canadian International Development Agency (CIDA). In addition, Blaize expressed confidence that the type of assistance which Grenada was getting from friendly sources would put the island in a position in the near future to help others.

HAITI

DUVALIER ASSETS NATIONALIZED; APPEALS FOR CALM MADE

HK190616 Hong Kong AFP in English 0537 GMT 19 Feb 86

[Text] Port-au-Prince, Feb 19 (AFP) -- Haiti's new regime nationalized ousted President Jean-Claude Duvalier's assets and appealed Tuesday night for calm on a day when panic gripped the capital over fears of his former henchmen resuming their reign of terror. The new national government council, formed before Mr Duvalier fled to France 12 days ago, said all his goods were now "the inalienable property of the state." The communique made no mention of assets the ex-president had abroad. Most of his reputed 500 million dollar fortune is said to have secreted [as received] out of the country during the 28 years he and his father before him were in power.

Meanwhile the government moved to stem the panic which swept the capital after false rumours that Mr Duvalier, whom France has been trying to get rid of, had left his tightly-guarded place of exile in the French Alps for another country. Fears that this would lead to some form of retaliation by the officially-dissolved Duvalier militia, the Tontons Macoutes, closed shops and emptied schools in Port-au-Prince. One radio station also reported rumours that two children had been killed at a school.

In an appeal for calm, Information Minister Colonel Max Valles urged Haitians not to be impatient and asked them to ignore any "incitement to anarchy".

In what was seen as a response to criticism that the new regime was moving too slowly to banish the Duvalier legacy, he also listed steps it had already taken, such as freeing political prisoners and dissolving the Tontons Macoutes.

On Tuesday a crowd of some 200 people, some armed with stones, gathered outside a petrol (gasoline) station in a poor quarter of the capital after a rumour that a member of the Tontons Macoutes was hiding inside. Police searched the station without finding anyone.

JUSTICE MINISTER FAVORS EXILES' GRADUAL RETURN

PA181633 Paris AFP in Spanish 1441 GMT 18 Feb 86

[Text] Port-au-Prince, 18 Feb (AFP) -- Gerard Gourgue, member of Haiti's National Council and new justice minister, today said that he favors the principle of a return of exiles, but stressed the risk involved at the present time if a large number of Haitians return from abroad. "The main issue is not the principle of a return of exiles, which is undebatable, but whether the doors should be opened wide at the present time," Gourgue told the Haitian LE MATIN (independent liberal) newspaper in an interview.

He also stressed that "the main problems have not been solved," citing security, employment, and financial problems. To Gourgue, these "essential matters come first," before a solution can be given to the exile problem. "We must have a certain waiting period in order to allow for orderly admissions," he noted.

Meanwhile, the newspaper LE NOUVELLISTE, a moderate leading paper in the Haitian press, announced that certain Haitians who are arriving without return visas and are still considered "undesirables" are being sent back abroad immediately by immigration and police services.

Several thousand Haitians who fled the country under Duvalier's regime for political reasons, and who now want to return, are challenging the former regime's return visa procedure, which is still in effect.

PROTESTS, UNREST IN PORT-AU-PRINCE REPORTED

Army Denies 2 Killed

FL182050 Bridgetown CANA in English 1859 GMT 18 Feb 86

[By John Cotter]

[Text] Port-au-Prince, Haiti, Feb 18, CANA-REUTER -- Bands of youths protesting against Haiti's new military-dominated government and calling for immediate elections raced through the street of the capital today, closing down schools only one day after they reopened. Several hundred youths broke up into routing bands of between 30 and 50, and a radio report that a high school had been burned down and two students killed sparked panic in some neighbourhoods. The report proved false, but many fearful parents rushed to schools to get their children.

The trouble broke a week of relative calm in this Caribbean country, where 11 days ago 28 years of dictatorial rule by Duvalier ended when President-for-Life Jean-Claude Duvalier fled to France.

The protestors, many of them from provincial towns still hostile to the new military-civilian government, threw stones at at least 10 schools when school authorities refused to shut them. Iron gates in front of the Lysee du Cent, Cinquantenaire were ripped down by youths, who were not students at the school, in one of several hit-and-run attacks. As the demonstrations gathered steam, people ran through the streets and a woman was hit by a car and thrown into the air. She was carried off by two bystanders to a hospital. Some of the youths came in from the provincial towns of Gonaives and Jeremie, where schools were closed yesterday.

The protests began this morning with a demonstration in front of the Presidential Palace by about 200 youths demanding immediate elections and the removal of holdovers from the Duvalier regime in the new government. The demonstrators, chanting slogans heard through the city since the uprising, became angry when troops at the palace did not take down the red-and-black Duvalier flag and replace it with the country's new red-and-blue flag. Gerard Frederique, a Haitian who studied in the United States, said: It looked to me like the military colour guard troops tried to take down the flag but it got snarled in the roping. Groups of youths then began running towards the schools in the surrounding area. After the schools were closed, demonstrators gathered about an hour later in front of army headquarters, waving the new flag and chanting for the soldiers inside to take down the old flag, to be officially replaced later this month.

As a result of demonstrations, most primary and secondary schools in the capital were shut only a day after they were reopened. Radio stations reported that two students were shot dead at the Lysee Petion and that the school had been burned, but soldiers at the school said there was no trouble and no deaths. Army Lieutenant Jean Pinard said the panic was caused by a lie on the radio and the school's director Joseph Simeon said he planned to reopen the school tomorrow.

Merchants Close Shops

PA181832 Madrid EFE in Spanish 1810 GMT 18 Feb 86

[Text] Port-au-Prince, 18 Feb (EFE) -- The main business sector in the Haitian capital closed its operations today following a shoot-out at a Port-au-Prince school. The merchants closed their shops at mid-morning, following rumors that two youths were killed in the shootout.

A fire occurred in an office of the electric company, which is located near a U.S. school in this city.

In spite of the promises of liberalization by the new government led by General Henri Namphy, the boycott of schools continued. Student attendance has been very low since the schools reopened.

Meanwhile, protest demonstrations continued today in Les Cayes, the third most important city in the country.

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CONTADORA FOREIGN MINISTERS TO MEET 27-28 FEB

PY172310 Paris AFP in Spanish 1509 GMT 17 Feb 86

[Text] Montevideo, 17 Feb (AFP) -- Uruguayan Foreign Ministry sources reported today that Latin American foreign ministers who make up the Contadora Group, the Support Group, and the Cartagena Consensus Oversight Committee [Comite de Seguimiento del consenso de Cartagena] will meet on 27 and 28 February in Punta del Este. The meetings will evaluate the development of the proposals made by the Contadora Group for the Pacification of Central America. These proposals were made public in January 1986, in Caraballeda, Venezuela.

The Punta del Este meeting will also allow the Cartegena Consensus Oversight Committee (the Consensus of Cartagena is made up of the 11 most indebted countries in the region), to study the situation created by the drop in petroleum prices, at the request of Mexican President Miguel de la Madrid, and Venezuelan President Jaime Lusinchi. That committee, designated by the regional group during the last meeting held in Montevideo in December 1985, is made up of the foreign ministers of Argentina, Brazil, Colombia, Mexico, and Venezuela.

Uruguay will participate in the meeting as a host country.

According to unconfirmed reports, the group will also study the possible unilateral establishment of interest rates generated by the servicing of the debt, with the idea of dividing the debt in two parts, old and new. The Cartagena group could also set a deadline for that division, and separate in figures the historical periods (military and civilian) experienced by most countries of the region over the past decade.

OAS SECRETARY TO TOUR L. AMERICA, CARIBBEAN

FL191854 Bridgetown CANA in English 1723 GMT 19 Feb 86

[Text] Washington, Feb 19, CANA -- OAS Secretary General Joao Clemente Baena Soares will visit Antigua and Barbuda and Trinidad and Tobago for the first time next week as part of an official tour that will also include Venezuela and Brazil, it was announced here today. The secretary general of the Organization of American States will arrive in Caracas on Saturday for meetings with high government officials and representatives of agencies responsible for OAS programmes.

He has been invited by the government of Venezuela for this first visit since he became secretary general in June 1984.

On February 26, Baena Soares, a Brazilian, will arrive in Trinidad and Tobago, for a one-day visit. From there, he will travel to Antigua and Barbuda for a three-day stay. An OAS statement said the trip is the result of Baena Soares' decision to go to all OAS member countries and get fully acquainted with their needs and with the way the inter-American organization could better help in their development efforts.

The secretary general will then fly on to Brazil as a guest of the inter-American press association, to participate in its assembly of directors to be held in the City of Salvador during the first week of March.

OAS APPROVES RESOLUTION FOR AID TO HAITI

FL151946 Bridgeton CANA in English 1926 GMT 15 Feb 86

[Excerpt] Washington, Feb 15, CANA -- The Organization of American States (OAS) said today it was prepared to help Haiti on the road to democracy. The pledge came after two days of debate on the Haitian situation and on the extent of OAS assistance to the Caribbean country, the Permanent Council of the OAS.

The organization said it as prepared to cooperate with the republic of Haiti in any way that will lead to strengthening the essential principles of representative democracy, but within strict adherence to the principle of non-intervention.

The council also approved by consensus a resolution in which it also authorizes Secretary General Joao Clemente Baena Soares to provide to the Haitian people the fullest possible assistance of a humanitarian nature, and to act in such a manner as to promote the legitimate aspirations of peace and freedom of the Haitian nation.

Chile did not participate in the debate or in the approval by consensus, accusing the OAS Permanent Council of not abiding by its obligation to ensure that the principle of non-intervention, which surely constitutes the main achievement of the inter-American system, will be fully observed.

CAPUTO DISCUSSES DEBT, U.S. TALKS ON RETURN

PY160145 Buenos Aires TELAM in Spanish 1703 GMT 14 Feb 86

[Text] Buenos Aires, 14 Feb (TELAM) -- Today Foreign Minister Dante Caputo said that Latin American must draw up a solution to the continental foreign debt problem because an emergency situation already exists and the region runs the risk of instability if the problem is not handled properly. He denied that the call for a meeting next month in Punta del Este by the Cartagena Consensus follow-up group is a Latin American response to the U.S. refusal to handle the foreign debt problem from a political standpoint. He added: this is, by no means, a response to nor a confrontation with anyone. He said that this meeting means the implementation of a mechanism that was designed in December, through which -- if an emergency should appear -- the follow-up group formed by five countries would be summoned.

Caputo arrived at 1030 [1330 GMT] at Ezeiza International Airport from New York, ending a lengthy tour that took him to the Soviet Union, Geneva, Hungary and the United States. There he discussed the continuation of negotiations with Great Britain at the United Nations and the foreign debt problem with U.S. officials.

Caputo added that the emergency situation already exists. There are two problems: In the first place, nothing has changed in terms of the international debt. There has been no initiative that could help us solve this scourge that affects the Latin American economies and societies; in the second place, the severe drop in oil prices seriously jeopardizes some of the most important economies of the continent such as Mexico and Venezuela. Ecuador is also affected. Therefore, the continent must draw up an answer to this situation.

The foreign minister said that he had told the State Department authorities in Washington, that although the Central American problem is serious and important, the foreign debt problem is much more important. South American stability and the definite return to democracy are subject to the solution of the debt problem.

Caputo said that it is not fair that a debt that was not contracted by the Argentine people should now be paid back by the workers and the people. We demand that the debt problem be handled differently as a basic condition for a political stability. The historic challenge to Argentina now is to combine democracy with efficiency and development. We are making our utmost effort to achieve this.

He went on to say that this development, the possibility for a better life, is seriously threatened by the debt problem. This he added, is not something that only affects us. If the problem is not handled properly, there is a risk of instability in the South American continent and this risk may affect the rest of the world. Therefore, he said, we must reconsider this problem and discuss it again seriously. It is impossible that we do not have an answer, or that the answers should only appear after a hard blow, after a great quake. For this reason we are going to meet to reconsider this new situation.

Caputo termed as auspicious and very useful a visit by a group of Argentine legislators to London to discuss the Malvinas issue, since a dialogue at a parliamentarian level allows more freedom, allows a rapprochement, allows the discussion of issues that in the political-diplomatic dialogue are more difficult. Caputo stated that when a foreign minister or a member of the Foreign Ministry makes a statement, to some extent, they compromise entire future negotiations. This does not allow us much freedom to talk.

The minister said: I believe that, in the case with Great Britain, a dialogue must be initiated. This one at a parliamentarian level is very auspicious. There is always the hope of solving problems if there is a chance for negotiations and dialogue.

Minister Caputo confirmed that he brought a secret message from U.S. President Ronald Reagan to his Argentine counterpart, President Raul Alfonsin. This message was delivered to Caputo by U.S. Secretary of State George Shultz during a meeting held in Washington with representatives of the Contadora Group and of the Contadora Support Group. The message is addressed to the eight chiefs of state represented at the meeting. When he was asked whether the letter had anything to do with the meeting which the Group of Six will hold in this capital, he said that that meeting is very important.

He noted that what the Group of Six had done had had a worldwide impact, that its conclusions and communiques are taken into account in all forums that discuss the arms race, in Geneva, the United States, or the Soviet Union. Although we are countries that do not have military power, we have that valuable asset of the power to reason, which allows us to have an important international impact.

He was asked whether the U.S. refusal of the proposals of the Latin American countries could be interpreted as a change in the attitude of the Reagan administration in face of the continent's concern over the Central American problem. Caputo summarized the meeting and said that it had a very positive aspect as well as a not so positive aspect. The positive aspect was that we held a dialogue, which is something that we appreciate greatly. We were very well received, it was a very frank meeting, and Secretary Shultz himself suggested a couple of times that this should be the beginning of a broader dialogue, not only about this subject, but also about other matters that affect the continent. We believe -- he said -- that the beginning of a dialogue with the United States to discuss regional problems is a logical and rational attitude that should be maintained between our regions.

The not so positive aspect was that the United States maintains its position, Caputo said, adding that he belives that the U.S. interests are taken into account in the Caraballeda proposals. We proposed that nine points be executed simultaneously, including one which demands the withdrawal of all support of the irregular forces.

A national reconciliation is also included among the points, and the United States believes that it is a very important objective. This is why it must be undertaken simultaneously, to construct the mutual confidence among all the countries involved in the conflict. Anyway, the positive thing is the dialogue. As long as a dialogue is started there is the possibility for negotiations, Caputo said. He added that, in all, although no considerable progress was made, at least they had progressed with a work instrument, which is the dialogue. When asked what Latin America could do regarding the United States which continues to support the irregular forces that fighting the Managua government, Caputo replied tersely: "What we are already doing."

BRODERSOHN ON DEBT INTEREST NEGOTIATIONS

PY190209 Buenos Aires DYN in Spanish 1833 GMT 18 Feb 86

[Excerpt] Buenos Aires, 18 Feb (DYN) -- Finance Secretary Mario Brodersohn today revealed that the Argentine Government is negotiating a two-point reduction in the interest rates of most of the Argentine foreign debt, although he admitted that the government is finding "difficulties" in this task.

Brodersohn made this statement in the Senate while speaking with Radical Civic Union [UCR] senators. He said that the government is trying to obtain a two-point reduction in the LIBOR [London Interbank Offered Rate] rate in force on most of the international loans granted to Argentina. He said, however, that he is optimistic about the negotiations, despite acknowledging some problems.

The finance secretary also said that this year Argentina is supposed to make payments on the principal totaling $10 billion plus $5.2 billion for interest. He said that the government intends to "pay less than 50 percent of the interest and refinance the rest." The amounts revealed by Brodersohn are equivalent to alloting "approximately 30 percent of the income from exports" to pay the interest on the foreign debt. This percentage is similar to the one paid in 1985 when the Argentine Government made payments worth $2.472 billion, according to the finance secretary.

Brodersohn made a detailed analysis of the Argentine economic situation and said that the Austral Plan is developing "favorably and within our expectations." He said that the main pillar of the plan is "the monetary stability, within an appropriately flexible structure." In this sense, Brodersohn explained that the domestic deficit expected in the national budget "will be covered by foreign credit" without having to issue more money, in order to maintain the government's policy which was announced with the implementation of the Austral Plan.

FURTHER REPORTAGE ON DELEGATION VISITING UK

Gass on Official Talks

PY182051 Buenos Aires Domestic Service in Spanish 1600 GMT 18 Feb 86

[Text] Today's most important news undoubtedly concerned the validity of an alleged invitation from the British Government to the Argentine legislators to meet with Foreign Office representatives. Radio Nacional has been to the source itself and since the source is in London, Radio Nacional contacted Senator Adolfo Gass, the head of the Argentine delegation visiting London. This morning Radio Nacional called Senator Gass and asked him whether there had been such an invitation.

[Begin Gass recording] I categorically deny it. Although the idea of holding such a meeting was suggested to us, we rejected it because it was not scheduled during the consultations we had in London with Buenos Aires [as heard], and also because we represent neither the Argentine Government nor the Argentine Congress. We are merely legislators who listen to some things and inform on others.

I urge you, therefore, to categorically deny reports that we are going to hold meetings with representatives of the British Government. Even more so if, according to a statement that has been issued, they say they are willing to discuss any issue except the [Falkland Islands] sovereignty issue. You can imagine that as Argentine legislators we cannot and will not participate in talks that do not include the sovereignty issue. [end recording]

We have heard the statement issued from London for Radio Nacional, and therefore for the entire Argentine nation, by Senator Adolfo Gass. We also wanted to know the British media's reaction to the issue and the steps taken by the Argentine delegation to resolve the situation.

[Begin Gass recording] The radio reported that we had agreed to hold negotiations but not on the sovereignty issue. We denied this in a communique we issued to the local media. We are now informing the Argentine public through your radio of this denial. [end recording]

UCR [Radical Civic Union] Deputy Federico Storani, chairman of the Chamber of Deputies Foreign Relations Commission, who also is in London, spoke about the same issue. He said that no invitation had been accepted or rejected, simply because none had been extended by the Foreign Office. The UCR deputy reasserted the position of the four Argentine legislators who are visiting the United Kingdom in response to an invitation extended by the South Atlantic Council.

Gass on Falklands Talks

PY191459 Buenos Aires DYN in Spanish 0003 GMT 19 Feb 86

[Text] Buenos Aires, 18 Feb (DYN) -- UCR [Radical Civil Union] Senator Rodolfo Gass described today as "multifarious" the position on the Malvinas Islands expressed by the British political leaders and said that although this situation "favors the Argentine aspirations, it would be premature to think that the British Conservative Government will soon agree to comply with the UN resolutions."

Evaluating the results of the visit he is paying to Great Britain in the company of three other Argentine legislators, Senator Gass stressed that only "a cautious optimism" should be maintained in the short term, although in his opinion the British Government will have to sit down at the negotiation table, as the UN General Assembly has ordered.

In a statement to DYN by telephone from London, Gass said that during the meeting the Argentine legislators held with 20 British legislators who form their country's representation in the World Interparliamentarian Union, he could notice that Conservatives, Liberals, and Laborites revealed "different stances toward the same problem, just the opposite of what happens in the Argentine delegation." He explained that "the firm position of the four Argentine congressmen -- two from the government party and two from the opposition -- stood against contrary positions that were, at times, at odds among themselves."

Gass also said that this morning's "talks held at the House of Commons were broad" and that he was satisfied with the results. He added that the meeting with members of the House of Lords was more restricted, and that the Argentines limited themselves to answering specific questions asked by the British. He further said that the talks they had in the meeting with the Lords, all of whom were members of the nobility or with the rank of noblemen, "were not as broad" as those they held with their counterparts in the House of Commons.

Gass also reported that the Argentine legislators had met with David Steel, leader of the Liberal bloc in the House of Commons, and conveyed to him personal greetings from President Raul Alfonsin. He said that Steel was moved and called the Argentine president "a great statesman." Answering a question, Gass said that the visit of the Argentine delegation "has had a great repercussion in the British press, and numerous journalists were closely and attentively following the movements of the delegation."

Gass then pointed out that "we made it clear at all times that Argentina is willing to negotiate, but that the question of sovereignty must necessarily be included in any agenda that is proposed," adding that "it was made clear that it is our aspiration that the United Kingdom should abide by the resolution of the UN General Assembly." Tomorrow at 1200 (British time), the head of the Labor Party will visit the Argentine legislators at the hotel where they are staying. Thus, Gass said, Neil Kinnock "will have the courtesy of coming home to us, I might say, to greet us and to exchange ideas on the Malvinas with us."

UK Official To Visit Falklands

PY200214 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 20 Feb 86

[Excerpt] The British Foreign Office [preceding two words in English] has disclosed that Baroness Young, in charge of the British Government's Latin American affairs, will travel to the Malvinas Islands next Sunday, 23 February, to get first-hand knowledge of the situation in the archipelago. It has been learned from British political circles that the Margaret Thatcher government's decision to send a government official to the southern archipelago, at the same time that it has declared that the sovereignty of the islands is not negotiable, represents a political response to the many activities being carried out in the United Kingdom by four Argentine legislators. The visit that Argentine Senators Adolfo Gass and Julio Amoedo and Deputies Federico Storani and Jose Bordon are paying to Great Britain has prompted a new internal debate within the political sphere of the Iron Lady's government, that has not been welcomed by Margaret Thatcher. Therefore, the Foreign Office promptly spread the rumor about a meeting that the Argentine legislators would meet with British officials first, and then announced the sudden visit of a British official to the Argentine islands.

NEW DEFENSE MINISTER FAVORS MORE MILITARY TRIALS

PY140255 Buenos Aires TELAM in Spanish 0009 GMT 14 Feb 86

[Text] Buenos Aires, 13 Feb (TELAM) -- This afternoon Defense Minister German Lopez voiced his agreement with President Raul Alfonsin's statements to U.S. journalists that more military officers suspected of committing crimes during the last de facto regime will be brought to trial. Lopez said that he supports the president's statements -- although he noted that he had not heard them -- through a basic sense of responsibility and discipline.

Shortly after being sworn in to his new post, the minister confirmed that he will continue the task being carried out by the government to solve the problems of the entire country. He added that in this regard, the Armed Forces are no exception, they form part of the republic and the government's political program also includes them. When he was asked whether the Armed Forces are definitely integrated into the society he answered: certainly. He then stated that the task ahead of him will be difficult, as are all tasks undertaken with responsibility.

Shortly afterward, Lopez went to the Defense Ministry where he assumed his new post and promised to cooperate with the government's determination to establish a harmonious policy, peace and progress, a task in which the Armed Forces, a fundamental institution of the republic, are involved. During a talk with journalists accredited to the Defense Ministry, Lopez refused to make any specific statements regarding the Armed Forces, but included them when referring to the overall problems of the republic since the Armed Forces do not represent an isolated problem. Lopez verified that Horacio Jaunarena will continue as defense secretary and noted the president's determination to streamline the economy and draw up a coherent and feasible plan to project the republic's image on every frontier.

PAPER PREVIEWS SARNEY'S MESSAGE TO CONGRESS

PY180050 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Feb 86 p 31

[By reporter Milano Lopes from Brasilia]

[Text] The foreign debt problem will be treated politically and will demand unusual measures from the banks, public authorities, and debtor countries. Any solution acceptable to Brazil, and, consequently, politically viable, should not impose a disproportionate burden on the country, because Brazil, which is a sovereign debtor, can react to the detriment of the creditor institutions and particularly against the banks.

This is a passage of the first draft of the message that President Jose Sarney intends to send to Congress on 1 March, when it reopens. In the long passage on the foreign debt, the president affirms that "the government intends to act with firmness in the renegotiation of the foreign debt, so that its repayment can be spread over a longer period, on a politically acceptable basis, even rejecting the very high interest rates, commissions, and spreads charged in the recently concluded operations." According to the president, "the government, should it be necessary in order to guarantee economic growth, will determinedly seek to increase the flow of resources made available to the country and to review the conditions directly or indirectly imposed by the foreign creditors."

Concluding the passage regarding the strategy for the renegotiation of the foreign debt, the president affirms that "the government is aware of the real nature of the hardening by the international financial market, and it will not passively accept excessively onerous terms on the flux of loans it will try to restablish." Still, Sarney points out that "these measures, although firm and courageous, will not cast doubt over the seriousness of our purpose and Brazil's basic credibility, attested to you by the extraordinary and successful readjustment effort made in recent years."

This is the first time the president is hurling a threat at the creditor banks, although without specifying the reaction the government of the new republic will adopt. Ever since renegotiations have been resumed, this government has established, as an unmovable directive, that the foreign reserves will be maintained at a reasonable level to prevent possible crises in foreign exchange. Should reserves dip below that margin of safety, a margin that the government never spelled out, the payment of interest to foreign creditors will be delayed.

This is also the first time for the president to make public the Brazilian Government's disposition to pressure the creditor banks into accepting a multiyear rescheduling of the foreign debt. This rescheduling will then substitute the annual rollover of portions of the debt falling due every year. So the multiyear rescheduling is being negotiated in New York, where new money to finance the growth of the Brazilian economy is also being sought.

Initially, the presidential message addresses "the New Republic's commitment to democracy, social justice, and sovereignty." Then it examines "the new development model" and gives an account of the main economic events in 1985. A special chapter is devoted to "the prospects and priorities for 1986," which is divided into four subheads: inflation and growth; social priority; solution to the public sector problem; and the foreign debt issue.

In the chapter of commitments of the New Republic, the president turns again to the foreign debt issue and says that the treatment the government gave to it was a clear demonstration of the exercise of sovereignty. However, Sarney makes the execution of his government program -- which is based on the premises of sovereignty, democracy, and social justice -- conditional on the solution to the inflation problem "with firmness, competence, and social responsibility."

Regarding the new model of economic development, the president says that the economy grew 8 percent last year, with an outstanding performance of 8.2 percent by industry, 15 percent by durable consumer goods, and 12 percent by the agriculture and livestock sectors. As for salaries, Sarney said the minimum salary was readjusted by 12 percent above inflation last year, while other salaries were readjusted by 7.5 percent.

On the public debt, Sarney says that the government does not accept that a balanced budget be obtained immediately at any cost: "Had we done that in 1985, we would have sacrificed economic growth and employment and jeopardized the resumption of private investment.

The problem of inflation, which is an absolute priority for the government's new Cabinet, permeates the economic chapter of the presidential message to Congress. In order to fight inflation, the president insists on a "broad social agreement" to eliminate the inertial component of inflation. This inertia is created by price increases followed by salary readjustments which cause new price increases, thus establishing a vicious circle.

In mentioning the prospects and priorities for 1986, President Sarney emphasizes the need for sustained growth. He predicts a 6 percent increase of the GDP for this year, and stresses the significance of social priorities to correct the situation of poverty and inequality. Special mention is made of the agrarian reform program and a limit of 0.5 percent of the GDP for this year's public deficit is proposed as a solution for the difficulties in the management of the public sector.

The political option for freedom is fundamental. Hence our refusal to use authoritarian instruments like the National Security Law. Our respect for the congressional prerogatives and authority prompted us to abandon the constitutional time-limit mechanism for approving bills without congressional vote for legislative initiatives of the executive branch.

The Brazilian GDP showed the highest rate of growth in the world, reaching levels resembling those registered before the recessionary period. The employment situation recovered quickly with the creation of 1.5 million new jobs. The minimum salary was increased by 12 percent above inflation. In 1 year, the average industrial salary recovered all the loss of purchasing power suffered during the recession.

Prolonging recession and unemployment is no solution to the public deficit problem. Only through economic prosperity will we generate the resources to cover the deficit. We already obtained eloquent evidence of the success of that strategy in 1985. The collection of federal revenues increased nothing less than 15.3 percent in real terms. The revenues from the Merchandise Circulation Tax [ICM] for the states increased approximately 20 percent in real terms. The most notable example, however, was in Social Security where revenues rose by 21 percent in real terms, thus entailing the first surplus in many years.

The public finances inherited by the New Republic were in a sorry state. Mounting inflation and the recession in recent years deeply eroded government revenue sources. Tax receipts, as well as those from public utilities and government-regulated prices were drastically reduced. In the effort to control inflation, the previous government allowed readjustments below cost of those fees and prices. The expense structure became inflexible because of the compensatory character such expenses assume in times of recession, and above all because of the rigidity that the monetary correction imposes on financial commitments.

The New Republic also inherited a heavy inflationary burden. In March 1985 monthly inflation seemed to have reached a level of 12 percent, and the expectation was that it would accelerate. In addition, there was a widespread -- and legitimate -- disbelief in the orthodox instruments to fight inflation. An undeniable fact is that the salary squeeze policy imposed on society in the past only resulted in the unjustified loss of income for workers, contributing nothing to reducing inflation. The recession forced on the economy since 1981, was accompanied, contrary to expectations, by increased inflation. The result was heavy and intolerable inflation and a failed economic policy.

The government of the New Republic is by no means satisfied with the current level of inflation. The unification of indexes, the control of the deficit, and the reduction of interest rates constitute, in fact, the preliminary stage in the program to eradicate the inflationary process. Furthermore, the effect of those measures would have been seen sooner had we not been castigated by the drought in the country's main agricultural areas, a fact made worse by the absence of adequate regulating stockpiles.

CHIEF OF STAFF FAVORS RELATIONS WITH CUBA

PY191403 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 19 Feb 86

[Text] Brazil will resume diplomatic relations with Cuba this year. The news on the resumption of diplomatic relations between Brazil and Cuba, announced for late this year by the new Foreign Minister Abreu Sodre after a meeting with the president, was well received by Jose Maria do Amaral Oliveira, chief of the Armed Forces General Staff [EMFA]. [recorded passage indistinct] The EMFA chief does not see any problems with resuming diplomatic relations between the two countries. [recorded passage indistinct]

SODRE ON TRIP TO CUBA, SOVIET MESSAGE

PY191400 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 19 Feb 86

[Text] Foreign Minister Abreu has said that he has no plans yet to travel to Cuba, but that he eventually will go there to discuss the resumption of relations. The Soviet Government has congratulated the new Brazilian foreign minister, Abreu Sodre, saying that good relations and mutual cooperation will strengthen international peace and security. The message sent by Soviet Foreign Minister Eduard Shevardnadze was delivered by Soviet Ambassador Vladimir Chernyshen, who is the first diplomat accredited in Brazil to be received by the new Brazilian foreign minister.

CLASHES LEAVE MORE THAN 20 DEAD, MANY WOUNDED

PA180016 Bogota Television Service in Spanish 1730 GMT 17 Feb 86

[Excerpt] Despite clashes between guerrillas and members of the Colombian Army in the past few hours, Defense Minister General Miguel Vega Uribe has asserted that elections will be held in the country. The events in Buenos Aires, Cauca Department, Simiti, Bolivar Department, and Bogota left a total of at least 20 dead and numerous wounded, including guerrillas and Army and police members.

[Begin recording] [Vega] The situation is normal in most regions of the country. Some outbreaks of violence have occurred in several well identified places.

[Unidentified reporter] Do you feel that public order will be guaranteed in all the national territory during the elections?

[Vega] The military forces will guarantee for the Colombian people the latter's right to participate in the elections and cast their votes for the candidates of their free choice. Colombia can rest assured of this. With all our best efforts, we will guarantee these elections so that they can be held in the purest and most efficient way possible. [end recording]

22 Killed in Cauca

PA182107 Bogota Radio Sutatenza Network in Spanish 1200 GMT 17 Feb 86

[Text] Cali -- Eight military men and 14 guerrillas were killed in heavy clashes yesterday in La Mesa, Suarez jurisdiction, Buenos Aires municipality, in the north of Cauca Department, bordering Camundi municipality. The eight military men killed are seven soldiers and an officer of the Army's 3d Brigade stationed in Cali. Others were seriously wounded and are currently being taken care of in the department hospital. The soldiers wounded have been identified as Harvey Arizmendi, Henry Jesus Piedrahita, and Denis Didier Castro Giraldo. Troops of the 3d Brigade continued a combing operation in the north of Cauca Department this morning, near the valley where subversives of the so-called Guerrilla Coordinating Board clashed with the Army in La Mesa yesterday. The clashes lasted until late in the night in the western cordillera, on the border between Cauca and Valle Departments.

MINISTRY TO SUSPEND RADIO MACONDO TRANSMISSIONS

PA191953 Bogota EL TIEMPO in Spanish 16 Feb 86 p 7a

[Text] The Communications Ministry announced yesterday that Radio Macondo, a radio station owned by the M-19 [19 April Movement], which began transmitting recently somewhere in Sabana de Bogota, has no operating license and is regarded as clandestine. In a communique released to the press, the subversive group indicated that through this media, it plans to hold a national town meeting in which the people will be the great jury. According to the official source, in the next few hours the Communications Ministry will order the suspension of these transmissions and the seizure of all equipment. It added that it will be very easy to discover the place where the radio station is operating, since the ministry has enough tracking and other special equipment to do this. The spokesman recalled that a few years ago, the Communications Ministry seized from the M-19 a clandestine radio station that it had set up in Cauca Department with the use of ham radio equipment. It was recalled that the Army also has this search equipment, which was brought to the country some time ago, when the M-19 began intercepting television programs in order to broadcast communiques. Finally, the Communications Ministry described Radio Macondo as a revolutionary radio station that cannot function in this country because it lacks a permit to do so. The ministry announced that heavy sanctions will be imposed on those responsible.

COLORADO JUNTA REACTS FAVORABLY TO PROPOSALS

PY192047 Asuncion EL DIARIO in Spanish 19 Feb 86 p 19

[Text] The policymaking committee of the Government Junta of the Republican National Association, ANR [Colorado Party] yesterday studied a note that was submitted to it by 34 party members in which they express "with loyalty and good will" their wish to reconcile the party in commemoration of the first centennial of the party's founding. The note submitted by the "Group of 34," which is made up of well-known Colorado Party members, was well received by the members of the ANR Government Junta. It was studied yesterday by the party's policymaking committee. At the end of the meeting, it was said that the note "expresses, in a very respectful and correct manner, some points that will benefit the party."

This statement was made by [Health Minister] Adan Godoy Jimenez, ANR vice president, when commenting on the proposal submitted by the "Group of 34." He said: "Yes, we did find some positive points, particularly those relating to party reconciliation; and we shall take into account the goodwill they expressed on this matter."

Godoy Jimenez also said that the note specifies the need to commemorate in a dignified manner "the centennial of the founding of the Colorado Party, an issue which was already discussed and considered by the Government Junta sometime ago." Godoy Jimenez said: "I believe that one of them [the Group of 34] has the inaugural documents to the president during a ceremony, the date of which has yet to be established by the president. There are also other proposals."

The high-ranking Colorado Party member added that "Many of these fellow party members have rendered important services to the nation and to the party by filling high-ranking posts within the government as well as the party."

Regarding the proposed party reconciliation, Godoy Jimenez said that "They speak of reconciliation because perhaps they feel a little left out and they want to reintegrate themselves into the party. That is why they speak of reconciliation."

When speaking of the policymaking committee's reaction to this subject, Godoy Jimenez said that "We have never closed the doors to any party member who wished to offer his cooperation." Godoy Jimenez also said that the commission which will be responsible for all the activities to be held to commemorate the party's centennial will be established within the next few days.

All these issues will be discussed by the Government Junta next week, if it meets. Moreover, ANR sources have noted that the list of delegates to party precincts that are to hold meetings will be disclosed today.

POLICE CHARGED WITH EXECUTION OF SUSPECTS

PY200148 Paris AFP in Spanish 1934 GMT 19 Feb 86

[Text] Asuncion, 19 Feb (AFP) -- Court sources have reported that five Paraguayan policemen have been charged with torturing and executing four suspected criminals, one of them an 11-year-old child, 2 weeks ago in Alto Parana Department, 350 km east of Asuncion. The relatives of the victims have charged that the police acted with brutal ferocity, torturing and executing the criminals after they were handcuffed.

A police report released 2 weeks ago said that the criminals, who were charged with car robbery, died in a clash after refusing to surrender. According to the relatives, 11-year-old Gervasio Montania was shot after being handcuffed. In addition, his body was sprinkled with acid. There were indications that Pablino Gonzalez, whose body was handed over to his relatives, had been tied with a rope around his neck. Gonzalez' neck was broken, his arms showed that he had been hung by the handcuffs, and he had cuts on his back and bruises all over his body. In addition, he was shot in his face, in his stomach, and behind his ear, the relatives charged. They said that Joel Paredes was shot in the stomach, that his skull was broken, that he lost part of his encephalic mass, and that his forearm was broken. The fourth victim, Luciano Gonzalez, died in a similar manner.

The police do not have the right to kill people who have already surrendered, the relatives said, demanding that those responsible be brought to court.

FEPRINCO GROUP SUGGESTS NEW ECONOMIC POLICIES

PY150205 Asuncion ULTIMA HORA in Spanish 13 Feb 86 p 13

[Text] In a note addressed to the National Council for Economic Coordination, the Industry, Commerce, and Production Federation, Feprinco, requested that an economy policy for the short and medium term be established. To this end, the organization made suggestions in a document entitled "The Suggestions of Feprinco for Economic Reactivation."

A) It is desirable that an economic policy be defined for the short and medium term through the joint effort of the responsible government agencies and the private sector, setting priorities for the actions to be taken;

B) Positive results are to be expected from the continuous communication and cooperation through authorized representatives of the public and private sectors.

Foreign Exchange Policy

A) Elimination of the system of multiple exchange rates and adoption of a single floating rate market to stimulate foreign trade through the normal channels in order to avoid corruption and to attract foreign investors;

B) Adoption of monetary, fiscal, and financial measures to provide the foundations for a market of floating single exchange rate;

C) The Central Bank should perform its function of regulating the market to counter sharp fluctuations in the monetary exchange market;

D) Pending problems with international financial organizations should be solved, so that the private sector can have access to credits extended by those organizations.

Primary Production

A) Technical assistance should be provided:

-- to diversify the agricultural production for export, so as not to depend on two commodities basically (cotton and soybean) and to meet the needs of the internal market by stimulating the crops for consumption;

— to increase planting areas and improve productivity;

B) Financial assistance with low cost credits at the proper time, for periods related to the production cycles and to the attendant investments.

Industrial Production

A) Fiscal incentives, and financial incentives for agro-industrial projects, which should be granted in a timely fashion, at an affordable cost, with an adequate payback period, so that the added value of raw materials can be increased inside the country; these incentives should be extended to both the export industry and the import-substitution industry;

B) Equal treatment should be given to the processing of domestic raw material for the production of goods for local consumption, so that the cost will be competitive with similar foreign products;

C) A more dynamic program, with well-defined goals to be attained over the short and medium term, for the production of raw material for the manufacture of fuel-grade alcohol; and a more coherent and effective implementation ofthe alcohol production policy;

D) Measures to effectively support the national or foreign private investment, with quick procedures for the approval of new projects.

Exports

a) To establish a floating single rate market for the selling of currency;

b) To offer financial assistance at the proper time at low cost and during marketing periods.

c) To substantially simplify export administrative proceedings and clearly define trade regulations: merchandise in transit; barter trade; draw-back [preceeding term in English]; etc.

d) To implement an overall tax exemption system, except where income taxes on specific profits are concerned;

e) To solve the problem caused by the excess of livestock through the reactivation of industries.

Imports

a) To define a clear import policy which is to be divided into essential, necessary, non-essential and luxury products, but without the establishment of prohibitions;

b) To resolve the problem of delayed reimbursments which affect the country's credit and which in many cases create economic and financial situations which are extremely detrimental to those businessmen who have complied with the pertinent requirements.

Taxing policy

a) The increase of fiscal resources will be achieved through a rational administration of the taxing system aimed at a drastic decrease in contraband. It is not advisable to increase taxes or create new ones.

b) The reactivation and reorganization of the national economy through the implementation of the proper adjustments will result in the increase of the required taxes, thus the state will be able to meet the higher costs resulting from implementation of an exchange system such as the one proposed; and its international commitments.

Energy policy

a) Special incentives for the effective promotion of the fuel-grade alcohol production in the country and the maximum use of electric power.

b) Greater prudence in the fixing of prices of oil byproducts in view of its effect on the inflation rate. It is not recommended for these items to become an increasing source of fiscal resources, as they are today since they represent 22 percent of the ordinary income estimated for 1986.

c) Fuels to be used in basic activities, mainly diesel oil, should not be subjected to taxes;

d) Free access of the private sector in the production and marketing of fuel-grade alcohol since only in this manner we shall be able to obtain the desired results from the national fuel-grade program.

Salary policy

a) Salary increases, which are becoming more and more frequent, will have positive results only when we have more job sources available and production increases. Otherwise salary increases only promote a dangerous inflation which has a sort of chain-reaction-effect on the entire price structure of goods and services.

b) The government and the business sector share the responsibility of procuring new job sources for the unemployed and under-employed.

GARCIA ON FOREIGN DEBT, MIRAGE PURCHASE

PY191725 Lima Panamericana Television Network in Spanish 0200 GMT 19 Feb 86

[Excerpts] The suspension of constitutional guarantees and the curfew will remain in force for 60 days. This statement was made today by President Alan Garcia who added that so far the results of those measures have been positive. The president made this statement after inspecting a fleet of multipurpose trucks in the Plaza de Armas.

[Begin recording] [First unidentified reporter] Today you met with a Peruvian congressional delegation that had visited the United States. What can you tell us about it?

[Garcia] A multiparty congressional delegation visited the United States to meet with U.S. congressmen, bank and government officials. The delegation concluded that Peru is now recognized as an important country, not only in Latin America but also among the developing countries; that its views are respected and listened to; and that U.S. officials are willing to talk with Peru to seek a political solution to the debt. Peru has a pioneer position on this issue in relation to the other countries of the world. Therefore, there are good possibilities that the U.S. Government and organizations such as the World Bank and the IMF will understand that this is a political issue. Historically, the debt was created as a political instrument for the domination and dependency of our countries, and its solution must also be political.

[Second unidentified reporter] Is Peru going to close its doors to foreign investments?

[Garcia] Never. We support foreign investments. One thing is a loan with outrageous interest rates, and another thing is an investment sharing the risks of Peruvian development.

[First unidentified reporter] Have you talked with Foreign Minister Allan Wagner, who is in Paris negotiating the contracts for the purchase of Mirage airplanes?

[Garcia] Yes, this morning I talked with him on the phone. He told me about his meeting with French Foreign Minister Dumas, with whom he discussed the reduction of the Mirage purchase, which I announced on 28 July. Unfortunately, the Marcel Dassault company, which sells the airplanes, has very little interest in reducing the number of airplanes. The company wants to make money and wants to make it at the expense of Peru.

We have already paid off $140 million on the 26 Mirages, and we would have to pay hundreds of millions more for the purchase of weapons. Under current Peruvian economic conditions, if we cannot pay the foreign debt, how can we purchase arms? This is why we are trying to find a point of equilibrium between the economic situation and the needs of Peruvian defense, that is, to reduce the number of planes from 26 to 12 or 14. Our proposal was first accepted in principle by the Marcel Dassault company, which is a private-state company. But, unfortunately, the same company is now putting obstacles in the way of this proposal, perhaps with the hope that Peru may decide to purchase all the planes. This is really unacceptable.

Then, going straight to the heart of the problem, I asked Foreign Minister Wagner to meet with his French counterpart Dumas and, if possible, with French President Mitterrand. We hope to get the cooperation of the democratic and socialist French Government on this problem. This is a commitment inherited from the previous government that totals hundreds of millions of dollars, perhaps $700 million, which cannot be justified. [end recording]

France 'To Study' Mirage Deal

PY191216 Paris AFP in Spanish 1534 GMT 18 Feb 86

[Text] Paris, 18 Feb (AFP) -- A diplomatic source has reported that French Foreign Minister Roland Dumas has promised to immediately study Peru's request to reduce the purchase of Mirage planes. He made this promise in Paris today on receiving his Peruvian counterpart Allan Wagner. According to a communique released by the Peruvian Embassy in Paris, during the meeting Wagner -- who arrived in Paris on 16 February for an official visit -- presented to Dumas a proposal to reduce the purchase of Mirage planes from 26, agreed upon with the previous government, to 13.

The communique states that the Peruvian foreign minister's proposal seeking a direct understanding between the two governments on the subject was received with understanding by the French foreign minister, who promised to immediately study it with the appropriate French state organizations and to give an answer as soon as possible. The communique adds that for this reason Wagner will remain a few days more in the French capital.

The new Peruvian Government's decision to reduce the purchase of Mirage planes was announced by President Alan Garcia in his inauguration speech on 28 July last year. The communique goes on to say that this is in line with the policy outlined to limit armament purchases at national and regional Latin American levels in order to channel the scarce resources to the most urgent needs of the people.

The two foreign ministers also studied the state of French-Peruvian relations, confirming the high level of understanding and comprehension that exists between the two governments. The communique concludes by saying that the cordial climate in which the meeting took place between the two foreign ministers, reflects the excellent state of relations between the two countries. Wagner arrived in Paris from the United States and will leave for Lima on a date not yet decided, because he is waiting for an answer from the French government.

ALVA CASTRO ON FOREIGN DEBT, CANADIAN LOAN

PY181358 Madrid EFE in Spanish 2347 GMT 15 Feb 86

[Text] Lima, 15 Feb (EFE) -- Prime Minister and Finance Minister Luis Alva Castro today said that Peru will not sign any agreement or accord with the IMF and that his government will not be intimidated by any pressure. Alva returned today from a visit to Canada, where he obtained a 125-million Canadian dollar loan ($85 million), and to the United States, where he met political and financial authorities, such as IMF President Jacques de Larosiere.

A few hours after returning to Peru, Alva Castro visited the Finance Ministry and told the press that his meeting with De Larosiere was "firm but cordial." "We told De Larosiere," Alva Castro added, "about the dramatic situation in which our American Popular Revolutionary Party (APRA) government found Peru, as a consequence of the policies sponsored by the IMF."

"We showed Jacques de Larosiere the positive results of the 6 months we have been in office and confirmed that Peru will stand fast in its decision to pay only 10 percent of its annual exports to service its $14-billion foreign debt.

"The IMF may, of course, make whatever decision it chooses, but we have the impression that after our explanation the IMF officials will have a better understanding of the real Peruvian economic problem," Alva said. He also said: "The times are past when Peru knelt down to negotiate, and the necessities of the country's population are above any foreign pressures, no matter where they come from." On 10 February, the IMF gave Peru a deadline until 14 April to pay its overdue IMF debt for the year 1985, which totals $75 million. The Peruvian prime minister said that he had obtained from Canada an $85-million loan to be started with the arrival in the country of 15,000 tons of urea and a communications system for the Peruvian Andean region. Alva said that Canadian Prime Minister Brian Mulroney had promised to support the Peruvian position on the payment of the foreign debt before the international community.

LIMA MAYOR SUPPORTS GARCIA ON IMF POLICY

PY181450 Lima Television Peruana in Spanish 0000 GMT 18 Feb 86

[Text] Lima Mayor Alfonso Barrantes today said that the United Left supports the Alan Garcia administration in its firm position before the IMF, which is threatening to declare Peru ineligible for new credits.

[Begin Barrantes recording] We support the government in its firm position before the IMF in view of the latter's threats and the possibility that our country may be declared ineligible to get new credits. Here at home we argue, agree, or disagree, but the problems of the country are going to be resolved by Peruvians. We do not have to accept any impositions from the IMF or any foreign power. [end recording]

OFFICIAL WANTS MORE U.S. AID FOR DRUG CONTROL

PY182306 Paris AFP in Spanish 1607 GMT 18 Feb 86

[Text] Lima, 18 Feb (AFP) -- Peruvian Deputy Interior Minister Agustin Mantilla today issued a declaration asking the United States for more cooperation in the country's struggle against the increasing drug traffic in the Amazon jungle. Mantilla said that over the last 6 months 70 clandestine airstrips and laboratories belonging to Colombian and Peruvian drug-traffickers were destroyed, 7 planes were seized, and 4,000 kg of cocaine and cocaine base about to be sent to the United States were confiscated.

However, most of the airstrips have been reactivated by the drug traffickers because the government lacks the equipment, manpower, and funds to control the vast Amazon jungle, the deputy minister admitted.

Just recently, Peruvian Interior Minister Abel Salinas revealed that U.S. aid to Peru for the latter's struggle against drug trafficking amounts to $4 or $5 million. The minister indicated that this amount is negligible if one takes into account that the drug traffickers take out of the Peruvian jungle approximately $2 billion worth of cocaine hydrochloride, which gives the Mafia profits amounting to $10 or $12 billion when it is sold on the market.

Mantilla said that soon the Peruvian and Colombian police will carry out another Condor operation against the resurrected strongholds of drug traffickers in the Peruvian jungle, where some 130 clandestine airstrips are believed to exist.

ECUADOR, COLOMBIA JOIN ANTIDRUG OPERATION

PY191500 Lima Radio del Pacifico in Spanish 1200 GMT 19 Feb 86

[Text] Deputy Interior Minister Agustin Mantilla yesterday reported that Ecuador, Peru and Colombia have decided to undertake a joint operation against drug trafficking in the entire Amazon region. This joint undertaking within the framework of the so-called Condor Operation has been implemented because it has been proven that international drug rings have again built numerous clandestine landing strips in the area, thus continuing their drug trafficking operations with impunity.

SHINING PATH DEFIES STATE OF EMERGENCY

PY192112 Paris AFP in Spanish 1610 GMT 19 Feb 86

[Excerpts] Lima, 19 Feb (AFP) -- The Peruvian police today found that the Maoist Shining Path guerrilla group is defying the state of emergency when commandos of that organization in the last few hours tried to set fire to two downtown supermarkets, a 33-floor building, and a university facility. The attacks were not successful, but the Shining Path terrorists broke their silence and threw pamphlets claiming responsibility for the gigantic fire on 4 February that destroyed 20 businesses in the old Lima commercial district located only two blocks from Government Palace. The Shining Path also claimed responsibility for the killing of Army officer Ruben Izquierdo on 5 February, Civil Guard Captain Leon Torres Human on 31 January, and Civil Guard officer Juan Oscar Vera on 10 January. They were murdered in different parts of Lima.

This terrorist grouphas told EQUIS magazine that it is going to defy the state of emergency by hitting hard in the next few days. It has also claimed responsibilty for the attack on 6 February against Civil Guard Commander Guillermo Guerrero Reyes, who escaped injury. In the pamphlets the Shining Path threatens to execute Civil Guard Commander Guerrero Reyes, who like the other victims has fought against subversion. The group denies having kidnapped on 2 February Captain Alvar Artaza, known as Commander Camion, who fought in the Shining Path stronghold of Ayacucho. Artaza was on trial for illegal executions and the disappearance of a reporter. The Shining Path said that Artaza's kidnapping was not in its plans and that the officer is in the custody of the Navy Intelligence Service to prevent him from being judged in the regular courts.

Cooperative Destroyed

PY132241 Paris AFP in Spanish 1708 GMT 13 Feb 86

[Text] Lima, 13 Feb [AFP] -- The Lima Civil Guard today disclosed that a column of the Maoist Shining Path group has occupied one of the largest coffee and tea producing cooperatives in Peru. The terrorists destroyed the premises and burned the homes of some 5,000 peasants of the cooperative, which is located in the central jungle area. The attack occurred on Monday 10 February, but information has only just reached Lima because the cooperative premises are located in the midst of the Amazon jungle, about 100 km from Tingo Maria, 558 km north of Lima.

Joint Army and Civil Guard patrols have gone to the area to search for the terrorists who, according to leaders of the El Porvenir cooperative, totaled about 80. The cooperative has some 25,000 hectares of coffee and tea plantations, some of which were set on fire some weeks ago during attacks that until now had been a mystery to the cooperative members. According to the report, the terrorists entered the town Monday morning, firing their weapons and hurling dynamite sticks at machinery, offices, warehouses, generators and a fuel tank, until they destroyed everything. After setting the building on fire the terrorists gathered the workers in a field and burned 2,000 houses. The attack apparently did not cause any casualties.

According to the workers, the terrorists remained in the area for some 7 hours and left only when they realized that everything had been destroyed. On the remains of some walls they painted slogans referring to the Popular Republic of New Democracy [Republica Popular de Nueva Democracia], that is supported by the Maoist guerrilla group headed by Abimael Guzman.

In the meantime, reports received from Ayacucho, 575 km southeast of Lima, stated that the town of Chapi, where an alleged massacre of 3,000 peasants carried out by military officers was reported, had really been attacked by members of the Shining Path group who have that region under their control. A congressional commission for human rights yesterday visited Chapi, 180 km northeast of Ayacucho, accompanied by military authorities. Deputy Benjamin Madueno stated that Chapi, as well as other neighboring towns, showed signs of having been set on fire but not bombed. The reports stated that the alleged massacre took place in 1984. The authorities stated that according to the information, there were not many victims and that the continuous attacks and looting by members of the Shining Path probably compelled the inhabitants to flee to safer areas.

Peasants, Policeman Killed

PY180138 Paris AFP in Spanish 1541 GMT 17 Feb 86

[Text] Lima, 17 Feb (AFP) -- Sources of the military high command in charge of counterinsurgency today reported that one policeman, two peasants and six terrorists died and two Air Force privates were wounded in recent Shining Path attacks throughout Peru.

Furthermore, two Army privates died in Ayacucho, 575 km southeast of Lima, when a military truck carrying supplies for the troops fighting the Shining Path fell into a ravine when the bridge it was crossing collapsed, a communique reported. The communique of the military high command did not specify whether the bridge in La Mar Province had been sabotaged, but indicated that investigations are under way to find out who is responsible for the accident. These most recent deaths, excluding those of the two soldiers involved in the truck accident, bring this year's terrorist death toll to 92.

Unknown terrorists machine-gunned a Republican Guard who was traveling in a public bus in Pasco, 317 km east of Lima, the authorities reported. In Ayacucho, approximately 15 Shining Path guerrillas attacked the village of Cachobamba on 15 February, staged a popular trial and proceeded to hang a peasant after accusing him of cooperating with antiguerrilla troops. On the very same day, another terrorist group shot a farmer to death in Gran Bretana, a village in the Amazon region, because the latter refused to supply them with food, according to government officials in Tarapoto, 830 northeast of Lima.

Three days ago, a Civil Guard detachment clashed with a group of six Shining Path guerrillas in the hills of Cacra, Yauyos Province, some 200 km southeast of Lima. During this clash an 18-year old guerrilla died and her five comrades perished soon afterward when they fell into a deep ravine while fleeing from the Civil Guards.

The Air Force reported that two of its soldiers were seriously wounded on 16 February in Pisco during a guerrilla attack on military housing at the Air Force base in Pisco, 250 km south of Lima. The attackers took a machine gun from one of the soldiers and escaped on a motorcycle.

The authorities have reported that extremist activities have been increasing throughout Peru after President Alan Garcia's social democratic administration levied a state of emergency on Lima, suspended individual rights, and ordered a curfew in order to curb a terrorist onslaught. The weekly EQUIS reported today, after 10 days of successful implementation of these measures, that the terrorists are preparing another onslaught for late February or early March.

According to this magazine, Shining Path sources have stated that the emergency measures in Lima have no effect on their activities and as far as this guerrilla group is concerned the situation remains unchanged because its members have never had any rights and are used to operating under those conditions. Shining Path spokesmen told EQUIS, a magazine which usually carries information concerning this guerrilla group, that to prove this we plan to hit hard on those days.

GARCIA PLANS ACTION AGAINST NESTLE PLANTS

PY192059 Paris AFP in Spanish 0050 GMT 19 Feb 86

[Text] Lima, 18 Feb (AFP) -- Peruvian President Alan Garcia today announced that his administration will soon act against two powdered milk plants belonging to the transnational Nestle company for maintaining an irrational monopoly. Garcia stressed that in the next few days the government will act against the Perulac processing plant in Cajamarca, 840 km northeast of Lima, and the Gloria milk plant in Arequipa, 1,050 km to the south, both Nestle subsidiaries.

The president said that the state powdered milk subsidy through the state-owned enterprise Enci is being impaired because the two plants are taking advantage of it for purposes other than promoting popular consumption. He explained that Perulac processes powdered milk and sells it to Enci for 3.20 intis (.$23 cents) and that this state-owned enterprise then sells it to the Gloria plant at the subsidized price of 1.50 intis ($.11 cents). The Gloria plant then produces canned evaporated milk and sells it to the public for 4.80 units ($.34 cents).

Due to these prices the Gloria plant has stopped buying fresh milk from the dairy farmers in southern Peru and uses the powdered milk production subsidized by the government for popular consumption. Some months ago the president publicly suggested that the Gloria plant stop using expensive tin cans in order to lower the price of its milk, but it is reported that the system remains the same. Garcia said that for this reason the government deems operation of the Perulac and Gloria plants as an irrational monopoly that is against his policy of lowering the prices on basic foodstuffs, as well as the program of defending the cattle industry, which is handicapped by the powdered milk business.

OPPOSITION LEADERS ON U.S. HUMAN RIGHTS REPORT

PA192133 Panama City LA PRENSA in Spanish 16 Feb 86 p 1a

[By Franklin Bosquez D'Giovanni, Flor Quintero, and Jose Quintero de Leon]

[Excerpts] Three opposition political leaders welcomed, although as somewhat overdue, the report on human rights sent by the State Department to the U.S. Congress in which, clearly contrasting with previous years, it describes Panama as a country where the military are above the civilian government.

"The U.S. State Department report merely belatedly confirms the political reality of the Panamanian nation; that is, the military domination over civilian power." Such was the reaction of Alfredo Ramirez, president of the Liberal Republican Nationalist Movement (Molirena), on learning about that U.S. Government agency report to Congress concerning the human rights situation in Panama. Asked if the State Department opinion would influence Panamanian politicians to produce a democratic change, he commented that regardless of the opinion of the State Department, Molirena will continue striving to achieve such an unpostponable objective, on which the life of the nation, itself, depends.

In the opinion of Molirena's president, just like in Paraguay, Peru, Brazil, Argentina, Colombia, Venezuela, Guatemala, the Dominican Republic, Honduras, and El Salvador, the time has come for Panama to return to civilian rule.

On the same topic, the acting president of the Christian Democratic Party (PDC), Guillermo A. Cochez, Jr., believed the State Department's appraisal that the military continues dominating Panamanian politics is an observation reflecting "a general consensus in all sectors" about the real situation in this country. He explained that all countries evaluate the situations of those nations with which they have relations, even though they may not be diplomatic, for which such reports are routine in every Foreign Ministry, "particularly one with the international dimensions and relations such as those of the United States of America." He said this because "the defenders of the regime will now surely claim that the State Department, having voiced its appreciation of our reality, is interfering with the internal affairs of Panama."

Legislator Cochez believed that the United States would, in fact, be interfering in the nation's affairs, by violating our sovereignty, if it would affirm that there is true democracy in Panama, where pluralism and human rights are respected, and where we all enjoy freedom and access to social communications media. "Such interference," he added, "took place when it concealed the 1984 electoral fraud, and when it denounced the ousting of Barletta, which is the principal trauma responsible for the current situation affecting us due to the heavy crisis consuming us, which could not be resolved with the fraud. At the time, the regime did acclaim the U.S. reports."

Finally, the undersecretary general of the Authentic Panamenista Party, Guillermo Endara, although refraining from making any comments on the State Department's report on human rights presented in Washington, did point out that nobody should be surprised now that the wrongly called "civilian governments" born of the "monstrous" electoral fraud of May 1984 should not respond to the people and their interest, it being the reason why they cannot find a solution to any crisis.

He added that to "think that a government born of fraud and committed to the arbitration of the General Command could resolve the economic problems affecting our country is an illusion only those who are not aware or do not want to recognize the facts of Panama. [no closing quotation mark as published]

PRT ON GOVERNMENT IMPOSING IMF LETTER OF INTENT

PA172252 Panama City LA PRENSA in Spanish 16 Feb 86 p 21 a

[Communique issued by the Revolutionary Workers Party, PRT, National Directorate]

[Text] Treacherously, the national government -- that is, the Defense Forces; the National Democratic Union, UNADE; and the executive branch -- are trying to impose the letter of intention that cost former President Nicolas Ardito Barletta his post, despite the fact that the national majorities last year were firm in rejecting such antinational measures. In fact, the nation's active sector foiled the previous administration's willingness to turn over the country to the rapacity of the international financial monopolies, by dismembering the local productive apparatus, eliminating labor legislation, and opening our economy to limits that threatened its virtual collapse. Thus, labor and business organizations, namely, the Coordinating Board for National Civilinianization, Cocina; The National Council of Organized Workers, Conato; and The National Council of Private Enterprise, CONEP; educators, and doctors and paramedical groups, buried the above-mentioned IMF strategy practically with their own hands.

Today, those who supposedly overthrew the previous administration for its submissiveness to the IMF are reediting the same proposal, but gilding the pill with a demagogic speech incapable of disguising its servility to the imperialist interests. That is, they are trying to promote the "Barletta Plan" without Barletta, which, in the end, means that Panamanian Government circles will try to mortage the country to the financial interests of such powers as the United States, West Europe, and Japan -- creditors who wish to collect even if they have to suck the blood of all our fellow countrymen!

It has already been learned that to carry out such impositions, they have decided to resort to every type of mechanism: persuasion, threat, bribery, and repression. This leads us to expect that, among other means, they will resort to the stale practice of smearing the prestige of well-known popular leaders, to flagrant threats, and, ultimately, to imprisonment and torture. Such antipopular actions, it must be made clear, are aimed basically against Conato. The popular movement must be clear in this: The prostrate desperation of the national government only sees a solution in surrendering to the foreign financial powers, as it cannot conceive a dignified solution that would imply the defense of the fatherland and the adoption of autonomous decisions centered on the interest of the great majorities: their right to life, work, and social justice. Therefore, it is logical to it that in the "power banquet," the head of the people is the one that should fall. That is the reason for its simple act of treason and lack of interest in the nation's destiny.

We are governed by those who always profitted from this system, and they do not intend to risk their control in the political leadership of the society: the businessmen, the new rich, and the corrupt military. They have played their card in favor of the imperialist boss; they serve him. That is why they want to eliminate the so-called "labor inflexibilities" of the Labor Code, to erase the urban and rural productive enterprises from the map, to further open the national economy, and, at any cost, to pay the foreign big stickers to the last penny.

In that respect, the entire nation, particularly the workers, must assume the titanic task of bearing on their shoulders the full responsibility of the national defense, if necessary. There is no other way; not to do so would be like renouncing your own life and that of your family.

That implies multiplying their social mobilization and increasing their effectiveness. It is necessary to coordinate the ranks to stop the employers and the government, to defeat any attempt to worsen the already critical living conditions of the majorities. This ample and democratic action must include holding meetings, work stoppages, consulting assemblies, and end up, if necessary, in a general sit-down strike that will eliminate any possibility of the enemies of the Panamanian country imposing their will. That is what it is all about: We cannot permit our declared enemies to run our house, despite the traitors that are ruling the country. National Directorate of the Revolutionary Workers Party (PRT), [Signed] Graciela J. de Dixon E.

FOUR ARRESTED IN KARDONSKI KIDNAPPING CASE

PA162112 Panama City EXTRA in Spanish 15 Feb 86 p 1

[Text] Raefael Guerrero, assistant prosecutor, and Lesli Loaisa, director of Criminology of the National Department of Investigation, DENI, who were in Geneva, Switzerland gathering information from officials in that country about four people who were captured in December as they tried "to launder" $1 million they had received as ransom for the release of Sam Kardonski, returned to Panama on Thursday. Although the prosecuting office and DENI officials did not want to give any information on their investigative mission, EXTRA has learned that they went to Geneva on 29 January and met with their Swiss colleagues. There they received copies of a thick file on this case.

We have also learned that the four money launderers -- two women, a Swiss and a Chilean; and two men, a Chilean and an Argentine or Spaniard -- have hired the services of several lawyers to gain their freedom. They were arrested on 5 December 1985 as they tried to use several packages of dollars whose serial numbers corresponded to those paid to alleged 19 April Movement, M-19, members.

Former Guerrilla Comments

PA181635 Panama City EXTRA in Spanish 18 Feb 86 p 12

[Text] Ovidio Salinas, executive secretary of the Patriotic Union, the political organization that groups the Colombian guerrilla elements who have ceased their subversive activities, told EXTRA that according to the information he has, the M-19 was not involved in the kidnapping of Jewish-Panamanian financier Sam Kardonski. Salinas, who visited our country last weekend, was approached at the People's Party headquarters, where he held talks with Panamanian communist leaders.

Regarding Kardonski's kidnapping, he added that the Colombian press published that the M-19 was involved. However, Salinas said: "We do not believe the M-19 kidnapped industrialist Kardonski."

On another subject, the guerrilla member who has now become a political organizer, rejected the possibility that Panamanian citizens are participating in the so-called America Battalion which, according to his country's newsmen, includes representatives of several countries and seeks to foment a popular uprising against dictatorial governments.

COSTA RICA

GOVERNMENT PROTESTS NICARAGUAN AIRSPACE VIOLATION

PA191401 San Jose Radio Reloj in Spanish 1240 GMT 19 Feb 86

[Text] The Costa Rican Government has again protested to the Sandinist regime because two Nicaraguan helicopters violated Costa Rican airspace on 9 February. Foreign Minister Carlos Jose Gutierrez sent a note saying that the violation took place near the La Trocha border post in the area bordering with Nicaragua, adding that the helicopters advanced over 800 meters into our territory.

The Civil Guards opened fire against the helicopters without hitting them, and the aircraft then went back into Nicaragua, the protest note added. In his protest note over the violation of our national airspace, the Costa Rican Foreign Ministry told the Sandinist government that it is deplorable and of great concern that such actions should take place at this time.

Foreign Minister Carlos Jose Gutierrez stated that apparently a new stage in the efforts to maintain correct relations is beginning, and the Costa Rican Government sincerely hopes that the Nicaraguan Government will understand it is important that such actions not occur again. The Costa Rican Government's protest is based on a report presented by the Public Security Ministry on the Sandinist helicopters' airspace violation.

MONGE AFFIRMS BORDER COMMISSION NOT MILITARY

PA192157 San Jose Radio Impacto in Spanish 1830 GMT 19 Feb 86

[Report by Gretel Tinoco from the Presidential Palace -- live or recorded]

[Excerpt] President Luis Alberto Monge has said that contrary to what Deputy Foreign Minister Cerardo Trejos has said, the observers and surveillance commission being discussed by the Costa Rican-Nicaraguan border commission will not be a military commission. Monge added, however, that the commission must have some military advisers, but it will not be a strictly military commission. he said that it is not advisable for the commission to supply its own weapons, that is, for it to bring its weapons from other countries. If any weapons are needed, these will be supplied by the Costa Rican Civil Guard.

Commission To Resume Work

PA180413 San Jose Radio Reloj in Spanish 0100 GMT 18 Feb 86

[Text] The Mixed Costa Rican-Nicaraguan Border Commission is to meet next week. Normalization of relations between our country and Nicaragua seems to be on the right course, since there is agreement to begin discussions on the project creating observer and surveillance an commission along the common border. To this end, Deputy Foreign Minister Gerardo Trejos has summoned a meeting with Former Public Security Ministers (Mario Charpentier) and Rondolfo Quiros Gonzalez to begin drafting the project that would be discussed within the framework of the mixed commission.

Deputy Foreign Minister Trejos said that tomorrow he is going to telephone Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco to set the date for next week's meeting.

In addition, it was reported that the purpose of tomorrow's meeting with former Public Security Ministers (Mario Oscar Vantieri) and (Rodolfo Quiroz Gonzalez) is to discuss the basic aspects of what the commission of border observers and surveillance would contain. This project is to be discussed with the Sandinists next week, in what would amount to a resumption of the work conducted by the mixed commission, which stopped meeting over a year ago. Deputy Foreign Minister Gerardo Trejos, Deputy Public Security Johnny Campos, and Foreign Ministry Director General Albar Antillon would be traveling to that meeting.

A decision on the surveillance commission will be taken jointly. After a joint discussion, within the framework of the mixed commission, the decision will be made on seeking the establishment of the observers and surveillance commission through the Contadora Group framework. President Luis Alberto Monge's proposal contained in his reply to the Nicaraguan explanation of the Las Crucitas incident specifically stated that this request be made jointly. Also, Foreign Minister Carlos Jose Gutierrez said that in order to establish the commission, Nicargua would have to accept Monge's proposal.

Foreign Minister on Commission

PA192159 San Jose Radio Reloj in Spanish 1200 GMT 19 Feb 86

[Text] Foreign Minister Carlos Jose Gutierrez has said that a work group has been appointed to work on a draft proposal to be taken to Nicaragua next week. Another meeting of the same group will be held on Thursday or Friday to discuss the terms of the proposal, the foreign minister said, adding that the group includes the public security minister and deputy minister, the foreign minister and deputy minister, the former ministers of public security [name indistinct] and Mario Charpentier, and Carlos Arguedas. He warned, however, that the proposal will not be taken to Nicaragua until it is approved by the president of the Republic.

When asked if the commission would be a military one as Deputy Foreign Minister Gerardo Trejos had said, Foreign Minister Carlos Jose Gutierrez said: I would prefer not to use any terminology as long as the project has not been completed. Later on, Gutierrez added that logically, the project is a draft agenda for the meeting with Nicaragua to see if we can present a joint proposal to the Contadora and Support Groups.

The foreign minister also said that only Costa Rican and Nicaraguan delegates will attend the first meeting, and that there will be no representatives from the Contadora or Support Groups, as has been stated.

270 REFUGEES ARRIVE VIA NICARAGUAN BORDER

PA191956 San Jose Radio Impacto in Spanish 1830 GMT 19 Feb 86

[Text] A total of 270 refugees have recently entered our territory, and it is expected that another 50 Nicarguans will enter today. The most vulnerable spot is the Upala area; that is, the river in that area. It is not a very dangerous spot for the Nicaraguan families to enter our territory. It was also said that the Upala Red Cross in Veracruz and other border areas have reported that from there one can hear the clashes taking place in Nicaragua. However, no wounded persons or prisoners have entered that area.

ECUADOR'S FEBRES CORDERO CANCELS PLANNED VISIT

PA192011 Panama City ACAN in Spanish 1733 GMT 19 Feb 86

[Excerpt] San Jose, 18 Feb (ACAN-EFE) -- The president of Ecuador, Leon Febres Cordero, has cancelled an official visit to Costa Rica, scheduled between 24 and 26 February, according to official information. A brief communique of the Costa Rican Presidential Palace revealed the suspension of the trip of the Ecuadoran chief of state, but offered no further details.

BRIEFS

ITALIAN COOPERATION -- As a result of the ratification of a cooperation agreement signed by Costa Rica and Italy, Costa Rica will receive technical assistance in fields such as agriculture, fishing, agro-industry, professional training, and education. [Summary] [San Jose Radio Reloj in Spanish 1200 GMT 17 Feb 86 PA]

EL SALVADOR

ACEVEDO REITERATES SUPORT FOR CONTADORA DOCUMENT

PA191557 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 17 Feb 86

[Excerpts] Cadena Sonora listeners, here is Salvadoran Deputy Foreign Minister Ricardo Acevedo Peralta to discuss the Central American and Contadora Group plenipotentiaries meeting that was held in Panama City on 14 and 15 February. During the meeting, the Salvadoran Government outlined its views on the resumption of the Contadora Group negotiations. Here is Ricardo Acevedo Peralta:

[Begin recording] Regarding the Caraballeda document, I would like to note that it is well-written and very subtle. It has prompted a wide range of interpretations from the Contadora Group and Nicaragua, as well as from the other Central American countries. The problem is to determine if the Caraballeda message is an independent document, or if it is part of the entire process of negotiations contained in the Contadora and Central American documents that have been drafted to date.

The Salvadoran view is that the Caraballeda message is not an isolated document; it constitutes a new spirit, a new declaration of the commitment to continue negotiating the Contadora Document. It reaffirms all of the agreements, documents of objectives and guidelines, and all of the other documents the Contadora Group has produced. Therefore, during the meeting held in Panama discussion centered on determining the nature of this document; that is, if it is an independent document or if it reflects the issues that have already been mentioned and agreed upon by the Contadora Group. The 2-day meeting was held to define the nature of the document and the next step Central Americans should take based on the Caraballeda message. [Words indistinct] the view that prevailed was the Central American, including Guatemala [changes thought] Guatemala, El Salvador, Honduras, and Costa Rica agreed that the only feasible thing within the Caraballeda message was to continue negotiating the Contadora Document. We also agreed that there could not be any solution other than to continue studying and analyzing the Contadora Document because this is the only thing that can ensure stable peace and lasting democracy in Central America.

The view of having a small Contadora Document based solely on security issues, which are included in the Caraballeda message, is unacceptable to us.

We do not want a fake peace, based solely on a security mechanism and on an arms buildup. We believe that there cannot be a lasting or true peace without genuine democracy. Therefore, the Contadora Document contains a [word indistinct] link among all of its elements. The elements favoring democracy are directly linked to aspects of security and these in turn are linked to aspects of economic cooperation. Therefore, we cannot divide the Contadora Document into three parts and make a separate document each time the political situation calls for or determines it according to the views of the Contadora and Support Groups.

We feel that linking or the in-depth handling of all the problems besetting Central America must be solved simultaneously, globally, and multilaterally. We do not accept any other view regarding the functioning of the Contadora Document. Therefore, all Central Americans made this point clear.

When the strategy was clarified, we proposed that Nicaragua continue analyzing the Contadora Document because we Central Americans -- the true democrats of Central America: Guatemala, Honduras, Costa Rica, and El Salvador -- have all of our documents in order to conclude the study of the Contadora Document regarding militarization, arms reduction, military bases, military troops, [words indistinct], and the verification and control mechanisms.

Nicaragua did not want to engage in the study because it said the Caraballeda message's meaning was unclear when other simultaneous actions were undertaken. Nicaragua wants to save its position, without assuming any commitments, and agreed that there should be a rather abstract, soft, very subtle treatment -- to describe it somewhat -- of the Caraballeda message.

The truth is that peace in Central America and the consolidation of democracy has been long delayed. However, Central Americans are not to be blamed for this. It is not the fault of El Salvador, Guatemala, Honduras, or Costa Rica. We have always been willing to conclude the Contadora Document and sign it as soon as Nicaragua agrees on the mechanisms that will force it to respect peace and democracy in Central America. As soon as Nicaragua assumes these commitments, when it gives evidence of a true willingness for peace and democracy, then we are willing to sign the Contadora Document. It is the only document that can guarantee peace. It is a single, final document that cannot be replaced; it guarantees peace. That is our opinion.

Our opinion is shared by Guatemala, Honduras, and Costa Rica. Only the Nicaraguans do not think this document is the key to peace and democracy in Central America.

ARMY DESTROYS 206 FMLN UNDERGROUND HIDEOUTS

PA191647 San Salvador Television Educativa in Spanish 1230 GMT 18 Feb 86

[Text] The Armed Forces Press Committee, Coprefa, has reported that 206 underground hideouts [tatus] were destroyed during Operation Phoenix.

According to reports from the officers in charge of the operation that began in the Guazapa area, since early February the various military units have found and destroyed a total of 206 underground refuges, commonly known as tatus.

[Begin unidentified officer recording] These hideouts are built underground using some hill or a cut in the terrain. They were built by someone who is an expert in building tunnels, such as those used in mines. The hideouts are similar to caves. They measure 20 to 36 sqyare meters, and can shelter 15 to 30 people. Most of them are not interconnected but are built mear one another. Some are 10 meters apart. Others are farther apart but are not interconnected, except for the trench-type hideouts which are connected. [end recording]

The 206 underground hideouts found by the military forces were located in Los Lirios, La Cruz, El Salitre, El Sapotal, La Caja, (El Bijagual), (Ceretral), Palo Grande, Platenares, Valle Verde, and El Chaparral. These underground refuges allowed FMLN groups to hide and to store supplies, medicines, and war materiel.

[Begin unidentified officer recording] When the Armed Forces were around, they [the rebels] hid their people in these refuges, and there was a team that was in charge of sealing them [entatuzarlos], putting the lid on them, and this is probably how some terrorists got killed in other operations. During Operation Phoenix, we found out that some people, 15 people, were in a refuge. They had been in there [entatuzados] for 25 days. They were only getting the necessary air and when they began to get desperate and started moving the stones covering them, they were discovered and were taken out of that refuge. [end recording]

Colonel Leopoldo Hernandez noted that the 206 refuges found on the Guazapa hill area were destroyed by explosives.

INTERNATIONAL DRUG TRAFFICKERS ARRESTED

PA191834 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Feb 86

[Report by Sonia Pereira -- live]

[Excerpt] The Investigations Department of the National Police has captured a band of international narcotics traffickers and seized from them over $600,000 and 50 kgs of cocaine. The National Police detectives of the recently formed Joint Drug Force captured Miguel Angel (Ponce) Aparicio and Salvador Aparicio Avila, both Salvadorans, as well as Colombians Jose Ignacio (Daza) Garica, Alfredo Rivers Dominguez, and Rodrigo Garcia Vasquez; and Mexican (Sederiano) Soravia Mendoza, all involved in cocaine trafficking coming from Colombia en route to the United States.

During the investigations that led to the capture of the individuals, the detectives seized $220,000 in cash from the home of Miguel Angel (Ponce) Aparicio in Ilopango, and $438,900 from his safe at his office on North 59th Avenue in San Salvador. The detectives also confiscated a suitcase with 54 packages of cocaine that he had hidden at a construction site in Alto de Altamira, as well as 48 packages of cocaine at the Comalapa International Airport inside a suitcase that had been sent to him.

GUATEMALA

DEFENSE MINISTER SAYS GUERRILLAS 'UNDER CONTROL'

PA191750 Panama City ACAN in Spanish 0011 GMT 19 Feb 86

[Text] Guatemala, 18 Feb (ACAN-EFE) -- Defense Minister General Jaime Hernandez Mendez, said today: "The guerrilla movement is under control in three parts of the country."

Minister Hernandez said: "The subversive movement has not yet been eradicated, but it has been brought under control by the operational headquarters of the Departments of Peten in the northern part of the country; Quiche in the northwest; and San Marcos in the southwest, where various anti-Army activities have been carried out."

Hernandez Mendez added: "In the month and 4 days since the inauguration of the new Guatemalan President Vinicio Cerezo Arevalo, the guerrillas and the Army troops have engaged in clashes resulting in six dead rebels and seven Army casualties, including soldiers and civilian patrols."

General Jaime Hernandez added that during the clashes and the various operations, a considerable amount of weapons, explosive devices, medicine, food, and Marxist literature have been seized." [quotation mark as received]

General Hernandez Mendez said that during the present government, 211 refugees who were in Mexico turned themselves in to the Guatemalan Army, saying they had "returned to their country because of the situation prevailing there now."

In addition, the defense minister said that the offer of military assistance made by the United States "will be discussed with President Cerezo, before a decision is made as to whether or not it should be accepted. [quotation mark as received] The U.S. Government offered Guatemala $10 million in military aid which, according to Minister Hernandez Mendez, "would be used to acquire nonlethal equipment."

Without giving details, General Hernandez Mendez also said: "Recently, Moshe Dayan, Israeli ambassador to Guatemala, offered military cooperation to Guatemala."

4 DCG DEPUTIES SWITCH TO INDEPENDENT GROUP

PA191805 Panama City ACAN in Spanish 0021 GMT 19 Feb 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 18 Feb (ACAN-EFE) -- The governing Guatemalan Christian Democracy [DCG] has lost its parliamentary majority because of the desertion of four of its deputies.

Alfonso Cabrera Hidalgo, secretary general of the DCG and president of the National Assembly, said today that his parliamentary group, which had 51 of the 100 seats, "has been left with 47 deputies, leaving us without a majority." Cabrera admitted that deputies German Shell Montes, Ana Maria Gonzalez Saenz, Carlos Gonzalez Quezada, and Luis Eduardo Cancinos, had deserted and gone over to the "independent group."

The new parliamentary makeup forces the governing party to obtain opposition support in order to get bills approved. The National Assembly president stated that party discipline would not be applied to the four legislators "as they do not really belong to the DCG."

Before becoming a DCG deputy candidate, Shell Montes was a high-ranking official of the Union of the National Center (UCN), an opposition party. Representative Gonzalez Quezada was initially a leader of the National Renovation Party, then he joined the UCN but, for alleged ideological differences, he switched to the DCG.

However, according to Cabrera Hidalgo, Gonzalez Quezada pulled out of the DCG "not for ideological reasons, but for reasons of self-interest. He had requested that the government name him manager of the Guatemalan Social Security Institute (IGSS), which it has not done."

"The same thing applies to deputies Ana Maria Gonzalez Saenz and Luis Eduardo Cancinos, who wanted appointments to public office," the president of the legislative congress said.

Cabrera Hidalgo pointed out that even though the desertion of the four deputies affects the parliamentary group numerically, "the ideological-legislative work is not affected, as they are just members of the many groups that supported the candidacy of President Vinicio Cerezo Arevalo."

HONDURAS

PRESIDENT REACTS TO ALLEGED 'CONSPIRACY' PLAN

PA191958 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 19 Feb 86

[Interview with President Jose Simon Azcona Hoyo by unidentified reporter at the Presidential Palace in Tegucigalpa on 18 February -- recorded]

[Excerpts] [Question] How was your meeting with Rafael Leonardo Callejas?

[Azcona Hoyo] It was a friendly meeting. We discussed certain aspects concerning the progress of my administration. He came here to tell me that they continue backing my government. The agreement is not a rigid and inflexible pact as it has been presented, but a common understanding that is still in effect. I asked him for the names of those selected to be governors of the seven departments in which the National Party won so they can be appointed right away. I also asked him for some names for the decentralized agencies. We also talked about the diplomatic corps and the appointment of some ambassadors. So I don't think that there is any problem anywhere.

[Question] Roberto Maradiaga today charged that due to certain issues there is a conspiracy against your government, only a few days after it was installed. What is your opinion?

[Azcona Hoyo] I think that there are people who don't waste any time and quickly begin to take advantage of any situation for their own political gain. We see that they have [words indistinct] regarding the fuel. We will see how we deal with these matters. Any small issue is blown out of proportion by certain media.

[Question] A few minutes ago, lawyer Mario Rivera Lopez repeated that there is a conspiracy against your government. He even mentioned people who were linked to former President Suazo.

[Azcona Hoyo] I don't want to think badly of anyone. I believe that there won't be any truce. Any mistake we make will be blown out of proportion and will be used. Therefore, we will have to be very careful and try not to make even insignificant mistakes, such as in the way the presidential house is run. We have issued orders so that everyone be allowed to enter. We are trying to get jobs for those who worked [for the campaign]. We are trying not to affect the Honduran people with en masse dismissals.

We will create... [changes thought] We already have an emergency plan to see how we can promote jobs. We will try to make more funds available for savings and loans association to build more houses. We will develop certain municipal projects with government backing in order to take care of the many unemployed. We will also try to implement as much as possible the recommendations made by workers and peasants on Friday.

[Question] When you started your campaign you were the target of all actions. You continue to be the target as the constitutional president. Will you be able to dodge the attacks like you did before you started in the government?

[Azcona Hoyo] I will answer for my actions. I will never take an action that will bring shame to me and my family. These matters must be taken the way they should be taken, calmly.

[Question] With the support you have from a sector of the National Party, could this give grounds for you to believe that there can't be this type of plot against you just a few days after your administration began?

[Azcona Hoyo] I will keep dialogue open with all sectors. We have to keep close ties with the Armed Forces. I am the president of the Republic and my duty is to keep close ties with the military sector and we will do so. Regarding what was termed a crisis -- we did not feel it was a crisis -- on occasion of General Lopez' resignation, some media tried to take advantage of the situation and said that we hadn't been firm enough handling this situation. I believe that we handled it quite intelligently and cautiously in accordance with the circumstances. There you have it. The problem was solved, and there is tranquillity among the citizens.

GENERAL LOPEZ RETURNS, DISCUSSES RESIGNATION

PA191402 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 17 Feb 86

[Text] To the surprise of all Hondurans, Gen Walter Lopez Reyes, former chief of the Honduran Armed Forces, returned at noon on Saturday after a 2-week absence. Upon his return, Gen Lopez dispelled some rumors, some of them disseminated by his own relatives, indicating that he had been forced to leave the country. He hinted, however, that his return is temporary because the government could appoint him to a military attache post in the near future. These are his statements made exclusively to our correspondents Mary Arteaga and David Romero Hernes from his home.

[Begin recording] [Lopez] Thank you very much. You are very kind. I am all yours.

[Romero] General, what time did you arrive?

[Lopez] We landed at the Toncontin Airport from Houston at 1230. Just as I had mentioned before leaving, the purpose of my trip was to have a medical checkup. I also took the opportunity to have my family checked. Thank God, we are all in good shape. The doctor only observed some nervousness and tenseness due to the pressures that we have been undergoing. The prescription was very simple: rest, take things easy, do the usual exercises, and smoke a little less.

[Romero] General, how long have you been active in the Armed Forces without a vacation?

[Lopez] A number of years. As far as I remember, I was in San Pedro in 1975. This was my usual leave, usually to go to work elsewhere. But, regarding a vacation of, say, 15 or 30 days, well, a number of years have passed without one. As far as I can remember, 10 or 15 years have passed without a vacation.

[Romero] General, there has been much speculation regarding your arrival in our country. It has been said that the Armed Forces staff called you back to make some statements as a result of your resignation addressed directly to the Armed Forces Higher Council rather than the National Congress that had elected you as chief of the Armed Forces.

[Lopez] No, not at all. Quite the contrary. It was announced to the president of the Republic by the Higher Council. I happen to have a copy of two permissions in which he himself authorized me. It was reported to the third in command regarding my absence. Although the permission that I requested did not specify the number of days I was to be away, I determined that 15 or 16 days would suffice for me to return and be at the orders of the commanding general and president of the Republic, as well as the Armed Forces' commander in chief. According to law, as the result of the congress appointing a new commander in chief, I now occupy the post of adviser to the commander in chief.

[Romero] General, your resignation has been widely questioned in the National Congress because it should have been presented to the National Congress that elected you, and not to the Armed Forces Higher Council. What is your opinion of the broad and lengthy discussion of more than 10 hours in the National Congress about accepting or rejecting your resignation?

[Lopez] Well, I really was not aware of this. This is the first time that I have heard about this. But, definitely, I had to answer to our highest body, the Armed Forces Higher Council. You will remember that I had also advised the commanders of the various branches, as well as the joint chiefs of staff, in a way of first-hand information, telling them about my decision and why I resigned. They reached the conclusion that I should not resign and that I should speak to the Higher Council. This is precisely what I did. I feel this was not irregular. I also spoke to the president and told him the reasons for my resignation.

Well, I will tell you that my resignation elicited much speculation and conjectures. I regret that a somewhat tense climate was created because of this. I want to stress, however, that no pressures whatsoever occurred. It was my personal decision. The people should also be aware that my decisions made as a man or as an officer are clear, and there is no hesitation at any time. So we make decisions this way because we are used to it.

[Romero] General, we know well that you are still under military authority. You are a man of discipline because of your training in the Armed Forces. You were elected to complete a constitutional term that Gen Alvarez Martinez could not. In other words, you have presented your resignation with practically a year still to go. According to your very same military discipline, you officers must complete this constitutional period. Therefore, the Honduran people have doubts about your resignation.

[Lopez] The people should no longer have doubts because I clarified it before leaving. I thank you for the opportunity to reiterate it now. I repeat, this was a personal decision and, although the time still to go was relatively short, one knows how far one can go some times.

I could say right now that I would be more useful to the Armed Forces of my country and the president as an adviser because I can now work better, always in discipline and under military authority. I will be more valuable to them as an adviser [words indistinct].

[Romero] Political and military analysts claim that the Armed Forces is becoming divided because several military leaders have fallen unexpectedly; that there is a lack of leadership; that this kind of situation can lead to a complicated situation in the future of the Armed Forces. Some people, including political leaders, have proposed that the position of Armed Forces chief be eliminated and that the Army be under the control of the Defense Ministry. What is your view on this?

[Lopez] First, I would say the Armed Forces is not divided. We have always said we have different opinions on various issues that the institution must deal with. However, the institution has matured a great deal in all areas. We know how to address and solve problems. Differences of opinion are normal in almost all the Armed Forces of the world. We will have to really thank God on the day our opinions are united.

Lack of leadership? I have said that, too. There are men with many values and who can set into motion many of the programs the institution has. There are many valuable men. Sometimes there is a need to mature a bit more, shape characters or personalities.

These things come with experience. However, I believe the institution continues to be as strong as it has been until now and that it is a guarantee for the Honduran people.

[Romero] Your statements to the press have always been open and candid. That is why we would like you to answer us as candidly as you always have. International reports indicate that you were stripped of the command of the Armed Forces in response to CIA pressures that responded to your policy toward the Nicaraguan counterrevolutionaries in Honduras.

[Lopez] I deny that outright. First, because I do not admit that the counterrevolutionaries have bases in Honduras. Second, I do not believe that an organization like the CIA can do that or that we have to yield to pressures like those. I want to repeat that all that has happened has been by my own will, without pressure from any side.

[Romero] Did you meet with Division General Alvarez Martinez during the short time you were in the United States?

[Lopez] Absolutely not. I only spent time with the friends I have in Houston and with my family: I made no other contacts.

[Romero] Recalling the Alvarez Martinez case, it was said during that difficult time that he had been appointed adviser and that he would have a force on the border, and that this could have been another of the reasons for your resignation. Could you clarify this also?

[Lopez] I believe the Gen Alvarez affair was widely clarified. I would rather not dwell on that right now.

[Romero] If you return to Honduras, General, do you believe this will establish a precendent so that Gen Alvarez Martinez will also attempt to return to Honduras, despite the legal cases he has pending? [question as heard]

[Lopez] He has that right as a citizen. If I am not mistaken, before I left his brother was processing something like this before the Supreme Court of Justice. I do not know what the court's ruling was regarding his petition. However, Honduras is governed by laws, and a citizen has that recourse. He can exhaust all legal processes and claim his rights.

[Romero] The Honduran people perceive a problem resulting from the election of the new Armed Forces chief. It is said that with your departure the possibility exists that the Armed Forces might assume what is known as a hard-line policy regarding the implementation of the national security doctrine. Do you believe this can happen under the new Armed Forces chief?

[Lopez] I do not believe a situation like that will emerge under the leadership of those who are now heading the Armed Forces Higher Council. The various service and unit commanders are aware that to maintain national security we must above all be united with the people. There are programs and a number of situations that we will have to develop gradually over time with all the Honduran society. I highly doubt that situations like those that took place in the past will return to Honduras. I know the new commander in chief very well. He has many virtues, high human values, and a great deal of experience and ability. I believe he will lead the institution down a good path.

[Romero] What is your opinion on a proposal by the national committee of workers and peasants that has been under discussion with President Azcona Hoyo since yesterday and that was presented by more than 70 organizations? It seeks a transformation of the agricultural sector. You also discussed this when you left the country.

[Lopez] Yes. We knew about this proposal, despite the fact we did not see it in its complete form. I understand that they are asking for something that must take place. The peasants are in a pretty chaotic situation. We must do something for them. However, those words I said once, that one man or one government alone will not be able to help this group of Hondurans make progress, are still valid. The various social groups and organizations must help find alternatives or the most viable ways to help Honduran peasants succeed. We can begin by saying that there is something called the technicalization of agriculture. We cannot take that technical aspect into farming when our peasants still lack education. We must take gradual steps so that little by little all of Honduran society will create a bloc to overcome our backwardness. On that occasion we discussed those plans with the workers and peasants. I believe it is the only case in Honduras right now in which the Catholic Church, the Armed Forces, and the worker-peasant sector are forming a bloc to seek the alternatives to overcome the obstacles in Honduras in a civilized, professional way.

[Romero] If you do not serve as adviser to the Armed Forces, what will you do in the short term. Will you stay in Honduras, General?

[Lopez] Naturally, Honduras is home for me. I can work in various fields. However, I was listening to the president of the Republic on my way from the airport, as I said before, and he and the commander in chief might have plans for me, which I will have to abide by.

[Romero] Would you accept an appointment as military attache?

[Lopez] Naturally, if that is what I must do to represent my country, I will.

[Romero] Do you have a message for the Honduran people and Radio America, General?

[Lopez] I appreciate the welcome afforded my family and myself and the fine treatment we have always received. These moments will be unforgettable for me. This shows me the Honduran people continue to be noble people, that they are always aware of situations, and that they want to hold on to that which they are entitled to as a people.

NICARAGUA

FOREIGN MINISTRY PROTEST ON SOMOTILLO INCIDENT

PA200403 Managua Domestic Service in Spanish 0300 GMT 20 Feb 86

[Text] The Nicaraguan Foreign Ministry today sent a note of protest to U.S. Secretary of State George Shultz regarding the Somotillo incident. Angela Savallos, who is in charge of Foreign Ministry information, reads the message.

[Begin recording] The Information Directorate of the Foreign Ministry announces that today acting Foreign Minister Victor Hugo Tinoco sent a letter of protest to U.S. Secretary of State George Shultz blaming the U.S. Government for the criminal ambushing of a civilian vehicle on (?16) February in the sector known as Rancho Grande, 15 km northeast of Somotillo, Chinandega, in which five civilians were murdered, among them a Swiss citizen. In the note, the Nicaraguan Government points out that this was a terrorist action, and rejects the criminal nature of the mercenary forces created by the U.S. Administration in its brutal war against Nicaragua. These forces, incapable of military achievements, attack civilians and murder defenseless people in an effort to establish terror and fear among the people.

Managua, 19 February 1986

This was part of the message sent to U.S. Secretary of State Shultz. [end recording]

U.S. NAVAL SHIP DEPLOYMENT CALLED 'PROVOCATION'

PA190421 Managua Radio Sandino in Spanish 0000 GMT 19 Feb 86

[Text] In a clear provocation against the Nicaraguan Government, the U.S. battleship Iowa sailed today from Norfolk, Virginia, for waters in the Pacific Ocean, which are very close to the Nicaraguan coast, the Defense Department reported today in Washington. The 58-ton [as heard] ship will join the frigate John C. Hall, which is equipped with missiles and very deadly armament, which also sailed today from [word indistinct], Florida, to conduct a [word indistinct] which the United States says is routine but which political observers in the area regard as an open war of intimidation against Nicaragua. A Pentagon spokesman declined to say how long the two vessels will remain in the area. During their stay in the region the two ships will be visited by high-ranking authorities of Central American governments which are allies of the United States and support its plans to overthrow the revolutionary government.

REAGAN CONTRA AID REQUEST 'IRRESPONSIBLE'

PA191611 Managua Radio Sandino in Spanish 1200 GMT 19 Feb 86

[Text] In one more action of his irresponsible foreign policy, U.S. President Ronald Reagan yesterday asked Congress to approve $100 million in military aid for the counterrevolutionary groups that attack and kill the Nicaraguan people.

This aid, which would be distributed clandestinely and at the discretion of the President, would include $70 million in military aid and $30 million for the alleged humanitarian aid, a term that Reagan has been using to obtain more support for his paladins [paladines].

Along with a vast campaign against the Nicaraguan Government, accusing us of being Communists and pro-Soviet, and stating that we are carrying out an arms buildup and that we represent a grave danger for U.S. interests and security, Reagan asked Congress to lift all the restrictions on military aid to the counterrevolutionaries, who are located in Honduras and Costa Rica. In a meeting he held yesterday with Republican Congress leaders, Reagan said that the nonlethal aid the United States is currently giving the contras has only helped to maintain the pressure of the resistance and that more effective aid is necessary.

As part of the series of lies and slander Reagan uses to justify aid to the contras, he stressed that the contras operate deep inside Nicaragua. He added that his paladins must not only be given the means to die for freedom but also to win for justice and freedom.

The Reagan administration's warmongering policy shows its false support for the Contadora Group and the falsehood of its publicized campaign of support for the Caraballeda document and other alternatives for Central American peace presented by the eight foreign ministers of the Contadora and Support Groups.

Meanwhile, Colombian Foreign Minister Augusto Ramirez Ocampo said that the course taken by the United States regarding Central America is dead wrong, and warned that the approval of that aid would further undermine the peace efforts that his country began along with Mexico, Panama, and Venezuela in 1983.

According to Reagan, only an increase of pressure on the Sandinist government will permit the achievement of the peaceful solution sought by Contadora. Bent on this, he does not hesitate to ignore Latin America's feelings and the apocalyptical dangers entailed by the course he has taken.

The Colombian foreign minister has stated that Reagan's decision is an attack on Contadora. Contadora and its Support Group will strengthen their Latin Americanist positions to face the U.S. terrorist policy against Nicaragua on the eve of the battle to be waged in Congress for the approval of the $100 million which Reagan requested to finance the mercenary bands. In this sense, Colombian Foreign Minister Augusto Ramirez Ocampo warned last night that the resumption of aid to the Nicaraguan contras could frustrate the peace offensive that the eight foreign ministers agreed upon in the meeting they held in the resort of Caraballeda, Venezuela.

COSTA RICANS TO ARRIVE FOR BORDER COMMISSION TALKS

PA191918 Managua Radio Sandino in Spanish 1200 GMT 19 Feb 86

[Text] On Monday, Nicaraguan-Costa Rican negotiations on the border control commission will begin. Costa Rican Deputy Foreign Minister Gerardo Trejos will head the delegation that will negotiate the creation of a permanent commission for supervision and control over the border area with the Nicaraguan Government.

The Costa Rican mission that will travel to Managua on Monday also includes former Security Ministers Mario Charpentier and Rodolfo Quiros Gonzalez, and Deputy Public Security Minister Johnny Campos.

Reports from San Jose indicate that the Costa Rican mission will meet in Managua with Foreign Ministry officials headed by Deputy Foreign Minister Victor Hugo Tinoco.

Costa Rica is proposing a permanent military commission between the Nicaraguan-Costa Rican border. Gerardo Trejos, Costa Rican deputy foreign minister, has proposed to his Nicaraguan counterpart, Victor Hugo Tinoco, the creation of a permanent military commission on the border between the two Central American countries. The Costa Rican diplomat explained that the military mission would be comprised solely members of the Contadora and Support Groups. Trejos practically ruled out the possible participation of the United States in this commission. He stressed to the international news media that Contadora and its Support Groups are sufficient to resolve any border problem between Managua and San Jose. The official disclosed that in the last few hours he spoke with Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco to explain his government's initiative to east tensions on the border between the two countries.

CENTRAL BANK ADOPTS NEW ECONOMIC MEASURES

PA191537 Managua BARRICADA in Spanish 1 Feb 86 p 4

[Text] In order to buttress all the policies on production, service, and living standards promoted by our government for 1986, and as a complementary action to curb and, if possible, to dimish the economic imbalances in our country -- which stem from the poverty and backwardness we inherited from our past, the criminal aggression imposed on us by the U.S. Government, and the impact of the international economy -- and in order to significantly reduce the cordoba's overvaluation, stimulate production and exports, contribute to regulating the price system, improve credit recovery, promote savings, and reduce the surplus of money in circulation to combat inflation, the board of directors of the Central Bank of Nicaragua, with the approval of President Daniel Ortega Saavedra, commander of the revolution, has adopted the following monetary, exchange, and credit measures:

1. Standardize the official exchange rate for all international transactions (exports, imports, new loans, etc.) at 70 cordobas to the dollar. Regarding the debts contracted and disbursed before 8 February 1985, the exchange rate guarantee approved in early 1985 is retained, and therefore, the exchange of rate for those transactions will be 10 cordobas to the dollar.

2. Visible exports:

2.1 Traditional exports: These are defined as those that have been granted guaranteed prices [precios de garantia] for the purpose of registering incoming foreign exchange. The income of these exports will be liquidated at an exchange rate of 70 cordobas to the dollar.

2.2. Nontraditional exports. These are defined as those that have not been defined as traditional exports. Seventy-five percent of the foreign exchange income of these exports will be liquidated at the official exchange rate of 70 cordobas to the dollar and the remaining 25 percent at the exchange rate prevailing on the free market.

3. Invisible exports:

3.1 [The following] are to be liquidated at the official exchange rate:

I. Foreign exchange income from invisible exports directly linked to the import and export processes, such as: freight; insurance related to merchandise; storage and warehouse; loading and unloading; crating and recrating; labeling and bottling; transportation; cartage, haulage, and forwarding; handling and moving.

II. Foreign exchange income from services rendered by Nicaraguan embassies, consulates, interest offices, and trade offices abroad.

III. Obligatory exchange by foreigners at points of entry into the country.

IV. Commissions earned by the national financial system for services rendered in international transactions.

V. Foreign exchange income from communications services rendered by the Nicaraguan Telecommunications and Postal Services (Telcor).

3.2 The invisible exports listed below will be liquidated as follows: 50 percent at the official exchange rate and the remaining 50 percent at the exchange rate prevailing on the free market.

I. Premiums received by insurance companies for insurance policies and direct surety bonds [afianzamientos] not related to merchandise.

II. Indemnity or compensation received from foreign insurance companies for losses covered by insurance policies or surety bonds not related to merchandise.

III. Indemnity or compensation received from foreign companies for losses covered by reinsured policies or surety bonds not connected with merchandise.

IV. Other foreign exchange income received by insurance companies for services inherent to their line of activity.

V. Reimbursement of local expenses incurred by branches or agents of foreign companies.

VI. Income from port services not related to merchandise, such as: supply of fuel, foodstuffs, stores, and other items; port and airport charges and fees; launches, stevedores, maintenance, repair, towing, pilotage, haulage, and other services not included in freight payments.

VII. Foreign exchange sold by the airlines to cover local expenditures in cordobas.

VIII. Communications services such as: foreign exchange revenues received from taxes on radio, telegraph, mail, and similar communications services, including the foreign exchange obtained from the liquidation of the enterprises mentioned.

IX. Foreign exchange sold by hotels and hostels to cover local expenditures in cordobas.

X. Foreign exchange income from the commission fees of travel and shipping agents.

XI. Foreign exchange income from the commission fees of the representatives and distributors of foreign companies.

XII. Foreign exchange income from resident companies in the country for subscribing to newspapers, magazine, and similar publications.

XIII. Foreign exchange income from leasing land, air, and water transportation vehicles.

XIV. Foreign exchange income from news services provided for resident companies.

XV. Foreign exchange sold by embassies, consulates, international missions or by the offices of international institutions accredited in Nicaragua to pay local expenditures in cordobas.

XVI. Foreign exchange income from resident companies' net revenues from tourist excursions, after deducting direct expenditures they may have in foreign currency.

XVII. Foreign exchange income from resident companies for leasing movies.

3.3. The invisible exports that have not been mentioned in previous items may be negotiated on the free authorized market (exchange houses).

4. Foreign exchange from grants-in-aid will be liquidated as follows:

4.1 Cash grants: Fifty percent will be liquidated at the official exchange rate, and the remaining 50 percent will be liquidated at the free market exchange rate, or will be made available to the disposition of the grantors in the way and for the uses, ends, or goals detailed in Article 13 [number as published] of these regulations.

4.2 Grants in goods: For registration, purposes, these will be liquidated at the official exchange rate.

5. Foreign currency for nontraditional visible exports, the invisible exports mentioned in item 3.2 of this communique, and cash grants will be liquidated by the Central Bank at the free and official exchange rates in effect on the date of the transactions in the proportions stipulated for each one of these. In these cases, the Central Bank will act as the obligated and disinterested intermediary in the sale of the corresponding foreign exchange share to an authorized exchange house.

In specific cases that are convenient for the promotion of exports and to increase the flow of liquid foreign exchange into the country, the Central Bank administration will be able to place at the disposition of exporters or grantors the share of the foreign exchange that will be liquidated at the rate of exchange of the free market in the way and for the uses, ends, or goals that are indicated in the regulations.

6. Visible imports: All, except oil will be liquidated at the official exchange rate of 70 cordobas per dollar. Oil will be liquidated at 28 cordobas per dollar.

7. The following interest rates are established:

7.1 Deposits in local currency

Commercial Banks: interest rates payable to the public

Kind of deposit	Not under raffle and prize system	Raffle and prize system
1. Savings deposits	16	14
2. Time deposits		
Deposits at 3-month maturity	21	19
Deposit at 6-month maturity	24	22
Deposits up to 1-year maturity	30	28
Deposits at more than 1-year and less than 2-year maturity	40	38
Deposits at 2-year or under 3-year maturity	42	40
Deposits at 3-year or under 4-year maturity	44	42
Deposits at 4-year or under 5-year maturity	45	43
Deposits at more than 5-year maturity	47	45

Certificates for time deposits issued by the banks before 1 February 1986 that will mature between 1 February and 30 June 1986 will receive the established interest rate. Those deposits whose maturities are after 30 June 1986, at the request of the depositor, will be able to collect the interest rates that appear on this chart, according to the period existing between 1 July 1986 and the date of maturity initially established. Full months must be used for these cases.

The granting of loans to holders of deposits with greater than 1-year maturity will be allowed up to 80 percent of their value, collecting the interest rate and terms authorized for personal loans.

7.2 Deposits in Foreign Currency

Commercial banks: Exchange rates payable to the public

Kind of deposit	Interest rates
1. Savings deposits	6.0
2. Time deposits at 3-month maturity	7.0
at 6-month maturity	7.5
at 9-month maturity	8.0
at 12 or more months	8.5

Time deposits in foreign currency must be redeemed first in national currency and at the prevailing rate of exchange on the free foreign exchange market authorized by the Central Bank.

Commercial Banks: Interest Rates Payable to the Public

Activity	Interest Rates	
	short-term	long-term
I. Commercial activity	45.0	-
II. Agricultural	30.0	25.0
III. Cattle raising activity	30.0	-
Fattening up of animals	30.1	-
Development and fattening	-	25.0
Others (Footnote 1)		20.0
IV. Industry (Footnote 2)	36.0	30.0
V. Housing Urban	-	16.0
Rural	-	14.0
VI. Small businesses	20.0	18.0
VII. Rural credit	20.0	18.0
VIII. Foreign trade enterprises		
Exports	20.0	-
Imports of intermediate goods (Footnote 3)	20.0	-
IX. Domestic trade enterprises	18.0	-
X. Programs to assign credit lines (Footnote 4)		
XI. Personal loans	45.0	-

[Footnotes for section 7.3]

(Footnote 1) (milk, cattle and poultry reproduction, infrastructure, and machinery)

(Footnote 2) (includes agro-industry)

(Footnote 3) (intermediate goods for agriculture and livestock)

(Footnote 4) (according to the term and activity of the patron)

8. The following credit policy is established:

8.1 Agricultural and livestock activities

— Small scale producers (rural credit)

100 percent of the financable production costs.

— Medium and large-scale producers

80 percent of the production costs financable in cash. Up to 100 percent will be financiable, collecting a higher interest rate that will enter into force as of this date.

100 percent in bank guarantees for raw materials (agrochemicals).

8.2 industrial activity

Complementary bank financing for labor capital needs according to the concern's payment ability.

8.3 Commercial Activity

— Bank credits to formal commercial activities is expanded.

Financing will be complementary to the labor capital needs according to the concern's payment ability.

8.4 Other Provisions

The fattening up of young cattle, taking up to 24 months for maturity, will also work on the basis of 30 percent interest per annum.

WASHINGTON-BASED GROUP ISSUES HUMAN RIGHTS REPORT

PA192200 Managua Radio Sandino in Spanish 1930 GMT 19 Feb 86

[Text] A new important document outlining violations of the laws of war by both sides in Nicaragua during 1985 was revealed today in Washington's capitol during a press conference.

The report was commissioned by the Washington Office of Latin America, WOLA, an office in Washington for Latin America, a nongovernmental human rights organization financed by a number of churches and foundations. It was headed by Mary (Ducher), former Missouri assistant attorney general.

The WOLA report presents evidence on 139 recent violations of the laws of war, as specified in the Geneva Agreements of 1949. They cover the period between February and December 1985 and are mainly based on affidavits of 197 witnesses, in many cases, multiple witnesses of the same incident.

The WOLA report includes violations committed by counterrevolutionary forces and by the Armed Forces of the Nicaraguan Government. However, it points out that most of them, during the period specified, were carried out by counterrevolutionary forces, especially the FDN, or Nicaraguan Democratic Forces.

The WOLA report concludes that the preponderant fact about this evidence is that it indicates the continuation of a systematic activity involving serious violations by contra forces. The presence of counterrevolutionary forces in a locality seems to bring with them a number of indiscriminate attacks on civilian targets, kidnappings, rapes, murders, mutilations, and other forms of violence.

In contrast, violations committed by members of the Nicaraguan Armed Forces appear to be relatively isolated cases of abuse of authority and violation of military discipline.

There is no evidence that such violations were tolerated by higher-ranking officers, the report concluded. In fact, it indicates that in several cases, members of the Nicaraguan Armed Forces were punished with lengthy jail sentences.

Although the report does not aim to be an in-depth statistical study, it shows that of 139 incidents of abuses and violations of the laws of war, 118 were committed by counterrevolutionary forces and 21 by members of the Nicaraguan Armed Forces. The contras committed 399 kidnappings, 116 murders, 2 murder attempts, 19 rapes, 24 mutilations, and 32 indiscriminate attacks, as well as several robberies and violations of the rights of the wounded and sick. The Sandinists are accused of 20 murders, 1 mutilation, 3 indiscriminate attacks, and 2 threatening incidents.

Abuse cases were investigated in the archives of the Permanent Commission for Human Rights, an organization that is critical of the Sandinists, and the Permanent Christian Action for Peace [Accion Permanente Cristiana por la Paz], an organization of U.S. religious workers residing in Nicaragua.

However, most cases cited in the report were discovered independently by members of the investigation group who live in communities of war zones in Nicaragua.

Mrs (Ducher) trained and supervised a team of 26 investigators who worked on the report for 2 and 1/2 months. The team received training on regulations pertaining to legal evidence used by international human rights organizations.

The team was mainly made up of U.S. citizens who are members of the permanent team in Nicaragua and of Permanent Christian Action for Peace, such as Mrs (Ducher). Among them is a Methodist pastor from North Carolina, a Presbyterian pastor from Alburquerque, New Mexico, an administrative analyst from Alaska, and a professor of social ethics from a Catholic university in Iowa.

Team members discovered more violations by Nicaraguan Government forces in addition to those found in the archives of the Permanent Human Rights Commission, which is critical of the Sandinist government.

The investigation was fully carried out without involvement of members or agencies of the Nicaraguan Government. Funds for the report and the cost for maintenance and mobilization of the equipment were fully provided by WOLA and the Permanent Christian Action for Peace.

Team members were instructed to investigate violations of the laws of war independently of who committed them, Mary (Ducher) said. We are prejudiced against brutal attacks on innocent people regardless of who carries them out. As Christians, we would confront anyone responsible for such abuses.

However, as an attorney and investigator, I must report that the counterrevolution is committing a great majority of the most violent atrocities in Nicaragua.

Mrs (Ducher) finally said: We invite and encourage anyone to review our report by visiting our witnesses and examining their testimony.

AUTHORITIES FREE 5 PRISONERS; PSC DEMANDS MORE

PA190011 Hamburg DPA in Spanish 2344 GMT 17 Feb 86

[Text] Managua, 17 Feb (DPA) -- A bulletin released by the Nicaraguan Social Christian Party (PSC) today reported that five political and labor leaders of various organizations opposed to the Nicaraguan Government were freed a few days ago, but, the PSC continues demanding the release of more than 10 other activists.

The ones who have been released are: Larry Schoures, Estanislao Ortega, and Jose Altamirano, who are leaders of the Nicaraguan Workers Federation; journalist Luis Mora Sanchez of the Social Democratic Party; and Tomasa Hernandez de Urbina, a PSC activist.

According to government intelligence authorities, several of the released prisoners were implicated in counterrevolutionary activities, including the terrorist plan called "Alacran," that sought to destroy economic objectives in Managua by using explosive devices.

The authorities did not file charges against several of the released citizens. Journalist Mora Sanchez spent almost 6 months in jail after he was arrested during a public demonstration by religious sectors at Sandino International Airport, in June of last year, upon Msgr Miguel Obando y Bravo's return to Managua following his appointment as a cardinal by the Vatican.

The prisoners whose release the PSC is still demanding are, among others: Julio Ramon Garcia, Humberto Urbina, Miguel Cisneros, Cesar Flores, Eduardo Paredes, Julio Suarez, Nelson Tabora, Salomon Telleria, and Moises Gutierrez. According to government organizations, some of them were given various sentences by the authorities for disrupting public order and security.

GRANMA CONDEMNS REAGAN VISIT TO GRENADA

PA200251 Havana International Service in Spanish 0000 GMT 20 Feb 86

[Text] The visit that President Ronald Reagan will make this Thursday to Grenada has been called the newest insult to Latin America's dignity by the Cuban newspaper GRANMA. In a long article covering a large portion of its international section, GRANMA says that the bloodstained boots of the Yankee President will step on Grenadian territory as if what happened 2 years and 4 months ago in that small Caribbean island had already been forgotten.

GRANMA reports that the White House announced that the purpose of Reagan's visit is to dedicate a monument to the U.S. soldiers killed in the 1983 invasion. However, GRANMA adds, that is not exactly the reason.

GRANMA says that the gunslinging President will arrive in Grenada with the texts of the Monroe Doctrine and the Santa Fe Document under his arm, to confirm that his government has not ended the big stick and gunboat era. Another reason for Reagan's visit, GRANMA says, is to support the puppet regime headed by Herbert Blaize and to promise the moon and stars to Grenada and to the rest of the countries of the eastern Caribbean sector, which have not received the least benefit from the so-called Caribbean Basin Initiative orchestrated by Washington.

GRANMA also says that even if the U.S. propaganda says the opposite, Grenada is in ruins under U.S. tutelage. Between 40 and 50 percent of the working population are without jobs, in sharp contrast with the 14-percent unemployment rate which the Maurice Bishop government achieved between 1979 and 1983.

The (?Richmond Smith) Hospital in St George's, destroyed by U.S. machineguns, has not been rebuilt, and the doctors who come to the island are demanding a monthly salary of $5,000 to $6,000; a definite difference from the Cuban doctors who gave free medical attention to the Grenadians, including those who lived in rural areas.

GRANMA also mentions that Point Salinas Airport, built mostly by Cuba prior to the Yankee invasion, has been turned into a military base by the White House, and the construction equipment owned by our country has been confiscated by the local authorities in an obvious act of subservience to Washington.

GRANMA states that Reagan's visit to Grenada also seeks to strengthen U.S. military presence in the eastern Caribbean and mentions the millions spent by Washington in training special forces to impose its will in the region.

Finally, GRANMA says that the new imperialist insult to our America cannot be ignored while Reagan visits the island of Grenada, which was invaded by his troops. It makes no difference if he now wears velvet gloves; Latin America and the Caribbean rejected the Yankee invasion in 1983, and with similar intensity they will reject the presence of the imperialist leader in the suffering and chained land of Maurice Bishop.

CBI Failure Alleged

PA200222 Havana International Service in Spanish 2310 GMT 19 Feb 86

["Note" written by Amalia Sanmartino and read by Maruja Garcia]

[Text] Two years and 4 months after the U.S. military invasion of Grenada, President Ronald Reagan will pay a short visit to this Caribbean island.

We can suppose that the 4 short hours that Reagan will stay in Grenada will not be sufficient to allay the lamentations of the Caribbean leaders, deeply frustrated by the failure of the so-called Caribbean Basin Initiative [CBI]. One of the traps of the propagandized plan included a tax-exempt system that filled the would-be beneficiaries with happiness and hope. Soon, however, the U.S. Congress wiped off their smiles by excluding textile products, canned tuna, coffee, cotton, hides, and footwear from these tax benefits. These products and sugar constitute the Caribbean peoples' basic exports.

The closed circle within which the CBI began to disappear started with the cut of about 1,500,000 tons in the U.S. sugar quota of 10 Caribbean countries in 1985. This brought about losses greater than the meager benefits produced by the U.S. program. Last year exports of all the Caribbean nations were reduced by about $3 billion compared to 1984, when the U.S. measure was initiated. If all this is added to the purchases of U.S. products at higher and higher prices, the granting of loans at high interest rates, and the Caribbean countries' foreign debt, the scarce anticipation elicited by the visit of the U.S. President is understandable. The demands by 11 English-speaking Caribbean leaders, who have presented to Reagan the need for better distribution of this aid, will surely be presented again during his visit.

NATIONAL ECCLESIASTIC MEETING CONTINUES IN HAVANA

Archbishop on Government Relations

PA191907 Havana International Service in Spanish 1721 GMT 17 Feb 86

[From the "On the Inside" program: Statement by Havana Archbishop Msgr Jaime Ortega Alamino; date and place not given -- recorded]

[Text] After the initial problems that emerged in the 2d year after the triumph of the revolution -- which even led to confrontation -- came a phase that covered the decade of the sixties, during which the church attempted to preserve its communities and the right to worship and maintain church life with respect to religious aspects per se. However, toward the mid-seventies, the presence of Catholics in centers of learning, work places, and in the country's life caused some problems, perhaps with regard to the Christian identity of those students and workers in the midst of Cuba's sociopolitical system. These problems were broached with the authorities, and they gradually began to be resolved in a positive way to the extent that lay Christians acquired a greater share of participation in the country's social life.

After this decade, during the eighties, the prospects became greater. Contacts between the bishops and the Cuban authorities increased. This has been especially so during the past 2 years and mostly last year, when the Cuban bishops' conference met with President Fidel Castro. We have had more informal contacts. One was on the occasion of the visit by a group of American bishops. Later two formal contacts -- working sessions -- took place. These should continue in the near future. During these sessions the problems and possibilities for the church's mission were discussed, taking the church as a whole.

I believe the creation of the religious affairs office of the party's Central Committee is a very positive sign, as are the participation of the Cuban bishops in the continental meeting on foreign debt and of priests, a nun, and lay youths in a hemispheric youth meeting on that same subject. This has allowed the church -- which is a legitimate Cuban institution -- to begin to make itself felt as a normal part of the country's life.

The publication of the book "Fidel and Religion" and the chats with Che on this have also helped make this dialogue something more than a hierarchy-government dialogue, making it a broader dialogue in which the people, who have shown so much interest in this book, especially participate.

I do not believe the national ecclesiastical meeting is a final step, although it is climactic. It will be a starting point in the life of our church. The topics have been discussed freely, with an open mind and a spirit of self-criticism, but not with any feelings of guilt regarding our mistakes or of aggressiveness regarding other people's mistakes. The focus is on the future, the immediate future, which is viewed with optimism and confidence.

De Cespedes Denies 'Manipulation'

FL192002 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Feb 86

[Text] Today the Cuban national ecclesiastical meeting is in its 3d day of sessions, and its spokesman Msgr Carlos Manuel de Cespedes has categorically denied to the press tendentious reports speculating about official manipulation of the event.

Document Supports Dialogue

FL200101 Havana Radio Rebelde Network in Spanish 0000 GMT 20 Feb 86

[Text] The national Cuban ecclesiastical meeting has paid homage to the priest (Felix Varela), illustrious figure of Cuban thought from the 19th century, during a ceremony at Havana University. Upon the conclusion of the 3d working day, the Cuban ecclesiastical participants approved a theological document which, among other topics, supports the need for dialogue.

Among the modifications or contributions approved today and presented to the commission working on the draft of the final document is a point that briefly explains liberation theology from the doctrinal point of view of the Cuban Catholic Church.

FURTHER REPORTAGE ON THIRD PCC CONGRESS SESSIONS

Poland's Wozniak Address

AU111944 Warsaw TRYBUNA LUDU in Polish 7 Feb 86 p 7

[Text] PAP/Havana -- Speaking at the Third PCC Congress, Marian Wozniak, Polish United Workers Party [PZPR] Politburo member and Central Committee secretary, said that the relations between the PZPR and the fraternal PCC and between the allied Polish and Cuban peoples are marked by mutual respect, understanding, and efforts to comprehensively develop cooperation in all areas, as clearly attested to by the results of the recent talks between Wojciech Jaruzelski and Fidel Castro in Havana.

Like Cuba, our party and our socialist country, M. Wozniak stressed, are being subjected to an exceptionally ferocious imperialist offensive on all fronts. We continue to repulse and will resolutely repulse imperialist attacks and resist attempts to interfere in our internal affairs. We address expressions of solidarity to Nicaragua and all the peoples of Central and Latin America who continue to fight for social justice, dignity, and the right to determine their own fates. We are certain that their struggle will be as victorious as was the case with the Cuban people's struggle. We express our solidarity with the struggle of the developing countries for an equitable economic order and for liberation from usurious indebtedness. Cuba is playing a special role in this struggle.

In conclusion, M. Wozniak stressed that, led by their party, the Cuban people have erected reliable foundations of socialist society, have acquired complete state sovereignty, and have won genuine prestige among world nations. Your successes are all the more valuable since they have been scored in the struggle against imperialist aggression and under conditions of blockade in the past 25 years. At the same time, Cuba and its Communist Party continue to set magnificent examples of internationalist solidarity and internationalist attitudes.

Laos' Nouhak Phoumsavan Speech

BK181655 Vientiane Domestic Service in Lao 0500 GMT 12 Feb 86

[Speech by Nouhak Phoumsavan, Political Bureau member and secretary of the party Central Committee and head of the Lao People's Revolutionary Party [LPRP] delegation, delivered at the Third PCC Congress; date not given -- read by announcer]

[Text] Respected Comrade Fidel Castro Ruz; Respected Presidium; Respected comrade delegates and distinguished guests:

We, the LPRP delegation, have the great honor and are extremely elated to attend the third congress of the majestic and honorable Communist Party of Cuba. On this occasion, we would like to convey the profound, comradely affection and solidarity and best wishes of Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee; of the LPRP Central Committee; of the Lao communists; and of the entire Lao people to your congress and, through it, to the heroic Cuban Communists and people -- the close comrades-in-arms of our Lao people.

We are very proud to see that in recent years, under the clearsighted and wise leadership of the PCC led by beloved Comrade Fidel Castro, the Cuban people, inbued with a sense of revolutionary enthusiasm and hard work, have resolutely overcome numerous difficulties and obstacles to securely defend the first free land in the Western Hemisphere, thereby firmly taking their country along the socialist path.

Implementing the resolutions adopted at the Second PCC Congress and the social and economic development plan between 1981 and 1985, Cuba's agriculture and industry have scored a new step in development and modernization. Its culture, education, and public health have also made clear-cut progress. The spiritual and material life of the Cuban people has been incessantly elevated.

In parallel with building and defending the socialist country, the Cuban people consistently further enhance the spirit of esteemed proletarian internationalism by actively rendering support and assistance to the revolutionary and progressive forces in the world. The achievements scored by the Cuban people have contributed significantly to increasing the strength of the socialist community with the Soviet Union as the prop. They have become a clear model and great encouragement for the people in Latin America and throughout the world struggling for peace, national independence, democracy, and social progress, thus making great contributions to strengthening the solidarity of the Nonaligned Movement countries against the imperialists. The role and influence of Cuba have been gradually rising in the international arena.

The victories scored by the Cuban revolution are extremely significant because Cuba is a small country located near the United States. In addition, it has to fight against the threat, provocation, and slanderous campaign launched by the North American imperialists day and night. This phenomenon clearly affirms that in the present era even though a country is small and has less people, if it has been led by a leading party of workers, -- a party that knows how to apply Marxism-Leninism to the situation in its country in a creative manner, pursues a correct strategic line and policy, is capable of consolidating the strength of the entire people around the party, knows how to enhance the strength of the entire nation plus the consolidated strength of the epoch with the socialist system as the mainstay and the Soviet Union as a prop -- it will be able to defeat completely the imperialist aggressors and take the country firmly toward socialism as heroic Cuba has done.

The Lao people have great pride in the successes and victories scored by the fraternal Cuban people and regard them as our own. The Lao and Cuban people have maintained relations of friendship and solidarity for a long time. In our struggle against the imperialist aggressors for national liberation in the past as well as in our national defense and socialist construction at present, the Lao people have always received effective support and assistance from the Cuban party and people. On this majestic podium, we would like to extend our profound gratitude to the fraternal Cuban people. In particular, we would like to express our sincere gratitude to Comrade Fidel Castro. On this occasion, let me extend our greetings and intimate affection to the families of the Cuban experts who are actively assisting in the social and economic development work in our country.

Beloved comrades, in the past 10 years since the establishment of the LPDR, the Lao people, under the leadership of the LPRP headed by Comrade Kaysone Phomvihan have fought resolutely and victoriously against the designs and destructive and sabotage acts of the imperialists and the international reactionaries who are bent on overthrowing our new regime and committing aggression against our country. At the same time, we, the Lao people, have also concentrated all efforts on building our country along the socialist path and have scored great and firm victories in various fields. We have coordinated with the SRV and the PRK in carrying out the struggle aimed at turning Southeast Asia into a region of peace, stability, friendship, and cooperation.

The victories of the Lao revolution are closely linked to the militant solidarity, special relations, and all-round cooperation among the parties and peoples of Laos, Vietnam, and Cambodia and can never be separated from the support, assistance, and all-round cooperation of the Soviet Union, Cuba, and the other fraternal socialist countries as well as the support from the friendly countries and progressive people in the world.

Beloved comrades, the current world situation is very tense due to the warmongering policy and the arms race, conducted both on the ground and in the air by the imperialists, with the North American imperialists as the chieftain, which may lead mankind toward a nuclear holocaust. We fully support the peace initiatives advanced by the Soviet Union, Cuba, and the fraternal socialist countries, especially an overall proposal to completely do away with nuclear weapons before the year 2000 advanced by Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, on 15 January 1986. We support the correct stand and high sense of responsibility of the Soviet Union toward the destiny of mankind expressed at the Soviet-U.S. summit in Geneva and demand that the United States fulfill its pledges through actual deeds.

We demand that the United States cease its hostile acts against Cuba. We are opposed to the interference and threats of the North American imperialists against Nicaragua and the other Latin American countries. We solemnly condemn the U.S. encirclement and threats against Libya and other U.S. acts creating tension in the Middle East and in other parts of the world.

Firmly adhering to our consistent foreign policy, we will strive together with all peace and progressive forces in the world to resolutely fight to safeguard peace and international security. Even though Laos and Cuba are far apart from each other -- daytime in Cuba is nightime in Laos -- the distance is not an obstacle to the profound affection and close solidarity between the two parties and peoples of our countries. For our Lao people, the word Cuba is always an expression of heroism, pure friendship, and esteemed proletarian internationalism. Our two countries share common revolutionary ideals and have overcome together all tests of fierce and uncompromising struggle against the imperialist aggressors. And at present, we are striving together to safeguard the revolutionary fruits and the outposts of socialism in the different parts of the world for peace and international friendship.

I wish the Third PCC Congress glorious success.

May the heroic Cuban people score great achievements in fulfilling the tasks of building socialism and defending their own country.

Long live the majestic and honorable Communist Party of Cuba!

Long live invincible Marxism-Leninism!

Long live Lao-Cuban friendship!

Long live world peace!

Turkish CP Head Sends Message

TA150850 (Clandestine) Voice of the Turkish Communist Party in Turkish 1700 GMT 14 Feb 86

[Message by Turkish Communist Party,[TCP]Central Committee Secretary General Haydar Kutlu to Fidel Castro, first secretary of the PCC; date not given]

[Text] To Comrade Fidel Castro, the first secretary of the Communist Party of Cuba:

Dear Comrade Fidel Castro, I extend my sincere congratulations on behalf of the TCP Central Committee and on my behalf on your reelection as the first secretary of the PCC Central Committee by the party's third congress. I wish the Cuban Communists and people great success in their struggle -- under the leadership of the PCC -- to implement the decisions of the ocngress.

With our communist greetings, [Signed] TCP Central Committee Secretary General Haydar Kutlu

Uruguay's Arismendi Departs

FL191232 Havana Radio Progreso Network in Spanish 1200 GMT 19 Feb 86

[Text] Army General Raul Castro, second secretary of the party, has taken leave of Rodney Arismendi, secretary general of the Communist Party of Uruguay, at Jose Marti International Airport. Arismendi attended the Third PCC Congress in Havana and then completed a working visit.

BRAZILIAN MINISTER CITED ON DIPLOMATIC RELATIONS

FL192214 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Feb 86

[Text] There is great expectation in Brazil about the resumption of diplomatic relations with Cuba scheduled for this year. From Rio de Janeiro, Marta Valverde gives us more details.

[Begin recording] Brazil will resume diplomatic relations with Cuba this year, new Foreign Minister Abreu Sodre has asserted after meeting with President Jose Sarney in Brasilia. Thus, the positive expectations of various sectors have intensified. Sodre did not mention dates, alleging diplomatic changes cannot be made suddenly. As reported at the government seat, Itamaraty, the resumption of relations is being intensively debated. The Brazilian minister also said he has no plans for going to Cuba but that he will if it is necessary to discuss the resumption of relations.

PDRY ENVOY MEETS WITH ISIDORO MALMIERCA

GF131426 Aden Domestic Service in Arabic 1230 GMT 13 Feb 86

[Text] Comrade Isidoro Malmierca, member of the Central Committee of the Communist Party of Cuba [PCC] and Cuban minister of foreign relations, has affirmed Cuba's principled and firm stance and solidarity with the Yemeni Socialist Party [YSP] and the Yemeni revolution and people. He also affirmed his country's rejection to any foreign interference in the domestic affairs of the PDRY regardless of any justification.

During his meeting with PDRY Ambassador to Cuba Brother 'Umar Husayn al-Hurubi in Havana on Tuesday, the minister expressed the PCC's and Cuba's readiness to give all kinds of aid and assistance to the PDRY.

During the meeting, the brother ambassador gave a detailed explanation of the bloody events which our country witnessed as a result of the futile coupist conspiracy carried out by conspirator 'Ali Nasir Muhammad and his terrorist clique, which was designed to liquidate the revolution's historic leadership and the innocent sons of our Yemeni people. The ambassador also described the measures adopted by our party's collective leadership to restore life to normal. The ambassador expressed our appreciation for the comradely and solidarity stances of the Cuban revolution and people and the PCC toward the YSP, our revolution, and Yemeni people, and for Cuba's international aid to our country.

HAITI'S RENE THEODORE ON 'U.S. MANEUVERING'

PA181500 Havana International Service in Spanish 0000 GMT 16 Feb 86

[Report by Maximo Heredia]

[Text] Dear listeners, this is a direct broadcast from the headquarters of the Cuban Institute of Friendship With the Peoples, ICAP, to report on the news conference held Saturday, here in Havana, by Rene Theodore, secretary general of the United Party of Haitian Communists [PUCH].

The Haitian leader said during the news conference that the people of his country are determined to continue their struggle until they achieve radical changes which allow social progress to be made in Haiti. Theodore added before a large number of Cuban newsmen that the Haitian popular movement has not only succeeded in ousting tyrant Duvalier, but continues mobilizing in order to prevent Duvalierism from being preserved in the country.

Responding to a question on current developments in Haiti, the PUCH secretary general said:

[Begin recording] Look, something very important is ocurring [words indistinct]. After overthrowing the Duvalier government, the Haitian popular movement is pursuing a very clear objective -- cleansing the country of all remnants of Duvalierism and gearing the movement toward effective economic and social changes in our country. However, it is also faced with the maneuvers of the junta and the North Americans, who are responsible for the creation of this government, of this Duvalierist power without Duvalier.

In view of the clearness with which the Haitian popular movement has outlined its objectives, the North Amreicans are very angry because they are totally identified in our country with Duvalierism and with the crimes and the poverty that have resulted from (?coloniast pacts) with the North Americans for 29 years. They feel very angry because (?they are losing ground).

That is why they are also maneuvering and inventing everything possible today to divert the attention of international public opinion and also to disorient the Haitian popular movement. [end recording]

After denouncing the North American campaigns to misinform the Haitian popular movement and world public opinion, Theodore said that Washington is concerned over the booming popular demonstrations against the junta and explained the following:

[Begin recording] (?They) invent reports, such as the one about the landing of Cubans on Haiti's coasts, which is a lie. They also invent other things, like the provisional government in exile in order to create expectations, [word indistinct] of candidates to the presidency to also [word indistinct] Haitian (?politics) at the most traditional level that may exist because the people have [words indistinct]. It is said that the popular movement has [words indistinct] (?by far) the [words indistinct] Haiti had had until today. [end recording]

COMMENTARY CRITICIZES U.S. ROLE IN HAITI'S AFFAIRS

PA190443 Havana International Service in Spanish 0000 GMT 15 Feb 86

["Our America" commentary]

[Text] When White House spokesman Larry Speakes, President Ronald Reagan's publicity agent, jumped the gun and on 6 February announced that Jean-Claude Duvalier had been overthrown, he was simply anticipating the epilogue to the macabre history written by former dictator Baby Doc.

Francois and Jean-Claude Duvalier were maintained in power for approximately 30 years, thanks to the generosity of the presidents of the United States. Only now, to prevent more violence from the Haitian people, Reagan decided that the time had come to find a replacement to the once trusted dictator.

The wrath of the extremely poor Haitian people is the reason why Jean-Claude could not stay in power any longer, and this forced the U.S. Government to arrange a no-return trip to the chief of the regime and his large retinue.

In this way, the United States prevented the long-suffering people of this Caribbean country from settling accounts with the dictator, who would have had a lot to say about the thousands of crimes committed during his regime. Therefore, the insistence of the propaganda agencies at the service of the United States to the effect that Washington is propitiating a democratic change in Haiti seems a contradiction after U.S. support for 30 years of the blood-thirsty dynasty.

The strategic position of this tiny country, being so near to Cuba and to the ministates of the region and within the realm of what the United States considers its backyard, are some of the fundamental reasons behind the U.S. intervention in the process aimed at preventing an uncontrollable explosion on the part of the Haitian people, opposite to the interest of the main capitalist power.

The White House does not seem surprised by the rapid installation in Port-au-Prince of the civil-military junta, formed mostly by units linked to the former tyrant and engaged in a campaign to make their fellow citizens believe that they can expect many good things from the so-called National Government Council. The establishment of a curfew and the constant harassment of the demonstrators are two reasons why the Haitian opposition sectors do not believe that the government's top ranks have changed much.

It is going to be very hard for the starved masses, which went to the streets unarmed, defying the bullets of the Tontons Macoutes with their bare chests, to accept a Duvalierism without Duvalier, under the pretense of a democratization plan publicly approved by the United States. Under the present circumstance, the 25-point document submitted by the leaders of the demonstrations carried out in the city of Gonaive is of great importance. If General Henri Namphy, head of the Government Council, really wants to meet the people's demands, he has in the 25-point document a significant starting point.

The arrest of those guilty of repression; the dissolution of the repressive bodies and institutions; the lifting of the state of siege; the arrest of those guilty of crimes; the expulsion of the Duvalierist units from the Government Council and the inclusion in it of members of the opposition; and the implementation of economic benefits are some of the demands made by the leaders of the Gonaive rebellion, demands that are worthwhile considering if the new Haitian rulers wish to democratize the long-suffering Caribbean country.

CBI TO DOMINATE DISCUSSIONS DURING SUMMIT

FL191731 Bridgetown CANA in English 1626 GMT 19 Feb 86

[By George Worme]

[Text] St Georges, Grenada, Feb 19, CANA — Leaders of seven Caribbean countries are meeting here today to coordinate positions for a meeting tomorrow with United States President Ronald Reagan in Grenada.

Grenada Government sources said due for today's meeting were the prime ministers of Grenada, St Vincent and the Grenadines, St Lucia, Barbados, St Kitts & Nevis, and Dominica. The Governments of Trinidad and Tobago and Antigua & Barbuda, whose prime ministers are also to meet Reagan, will be represented by senior government ministers. The sources said Puerto Rican Governor Rafael Hernandez Colon wanted to participate in tomorrow's summit, but Grenada's Prime Minister Herbert Blaize had rejected the request. The grounds were that Puerto Rico has associated status with the United States, they said.

As they began arriving last night, the regional leaders said they expected economic issues, centered mainly around the U.S.-sponsored Caribbean Basin Initiative (CBI), to dominate the discussions with the American President.

Reagan will spend nearly four hours in Grenada tomorrow. The visit, the first here by an American leader, comes nearly two and a half years after Reagan sent American troops to invade the island after a bloody military coup by Marxist hardliners.

I think (the CBI) is one of the issues which would be raised because it is very current, and very important to us, St Lucia's Prime Minister John Compton said last night on his arrival.

His St Kitts & Nevis colleague, Dr Kennedy Simmonds, said: I am coming to evaluate the CBI. I will give my own ideas on how I think it has functioned in relation to me and listen to the views of the others as to how it has functioned in relation to them.

The two-year-old CBI was drawn uo by the Reagan administration to foster the economic growth in the region through investment and trade. Its main feature is a provision that allows a range of regionally-made products to enter the U.S. duty-free.

The programme has come in for some criticism within the region as being inadequate, because it does not cover key products made in the region like clothing and footwear. Compton said eastern Caribbean countries involved in the joint regional security system (RSS) did not plan to ask Reagan for American financing for the scheme. We are not discussing security. We are discussing economics, he said.

OPPOSITION LEADERS DENY LIBYAN CONNECTIONS

FL190348 Bridgetown CANA in English 0035 GMT 19 Feb 86

[Excerpts] Bridgetown, Barbados, Feb 18, CANA — At least a dozen opposition political parties in eight Caribbean Community (Caricom) countries have been linked with alleged Libya-connected subversive activities, according to a document being circulated in the region through United States diplomatic channels.

While authorship of the 11-page document, Libyan activities in Central America and the Caribbean, is not officially claimed, copies have been made available to ruling right and centre-right parties involved in the recently-launched pro-U.S. Caribbean Democrat Union (CDU).

Leaders of parties in the CDU will be meeting in Grenada tomorrow, amid reports that President Reagan is planning to raise the issue of Libyan [words indistinct] in this hemisphere when he meets with leaders in St Georges on Thursday (February 20).

Opposition parties, such as Jamaica Democratic-Socialist Peoples National Party (PNP), as well as leftwing and centre-left parties in Dominica, St Lucia, St Vincent, the Bahamas, Antigua and Barbuda, and Trinidad and Tobago, have been identified in the U.S. document as groups with reported contacts with Libya. [words indistinct] The report says the Libyans have agreed to provide financial support, material assistance, and direction to the Jamaica-based Caribbean National Movement (CNM) -- described as a four-year-old grouping of leftist and revolutionary organisations in the region.

Commenting on the document, which he said his party had not seen, PNP's General Secretary Dr Paul Robertson, rejected out of hand any involvement with Libya in terrorism or alleged destabilising activities on the Caribbean. I can say absolutely, certainly one hundred per cent, that we have no terrorist connection. We abhor it. We can't see that as a viable option and we don't have anything to do with terrorism and anybody who advocates it....Dr Robertson said that his party intends to ask the U.S. Embassy in Kingston for a copy of the document.

Leader of St Lucia's Progressive Labour Party (PLP) George Odlum, was equally firm in denying any involvement whatsoever in Libyan-funded subversion. Odlum, a former foreign minister in the St Lucia Labour Party (SLLP) government, and one of the politicians linked to the proposed three-member leadership council of the CNM. The others are Rosie Douglas of Dominica and Hervin Chung of Jamaica.

We of the PLP reserve the right to identify with Libya or any other Third World country. We, however, have no formal relations with Libya. I, as leader of the party, have travelled to Libya and attended conferences, but there's no question of engagement in clandestine activities. This smear campaign through unsigned documents, he declared is another crude attempt to strengthen U.S. influence in the region through the parties that are linked with the Reagan administration. Reagan is clearly extending his own war with Libya by involving the Caribbean.

As Prime Minister Eugenia Charles has done in relation to the opposition Dominica Labour Party (DLP) of Michael Douglas, Prime Minister John Compton of St Lucia has made accusations against Odlum's PLP of Libyan money and training for activists of the PLP. Both the DLP and PLP have always denied such accusations.

Tim Hector of the Antigua-Caribbean Liberation Movement (ACLM) was unavailable for comment about his party's alleged contacts with Libya.

But Dr Ralph Gonsalves of St Vincents Movement for National Unity (MNU) angrily denied any Libyan connection. He said he had never visited Libya, attended any meetings funded by Libya nor was he in any way involved with Libya. This business of a document, which I have not seen, linking the MNU with Libya is obviously the work of the United States Government. President Reagan is seeking to strengthen the right-wing and centre-right parties in the Caribbean Democratic Union, itself a U.S.-influenced group, by attempting to discredit the left. In so doing, Reagan is exploiting the outrage of Caribbean people against what he has identified as Libyan-sponsored terrorism, said the former lecturer of the university of the West Indies, now practising law in his native St Vincent.

GRENADA

BLAIZE DENIES HUMAN RIGHTS VIOLATIONS

FL190322 Bridgetown CANA in English 2300 GMT 18 Feb 86

[Text] St Georges, Grenada, Feb 18, CANA -- Prime Minister Herbert Blaize today angrily rejected allegations of human rights abuses by leftist opponents. There are some people who would like to zero in on things that they want to propagandise. We ain't have a single detainee in our (prison) cells... All the people who are put there have been put there by the courts, and we don't interfere with that, he said.

The prime minister said freedom of speech in Grenada had been restored with the island having more newspapers than at any period in its history and they were operating without government interference. Blaize also dismissed as leftist nonsense a report by a liberal Washington group, the Council on Hemispheric Affairs, critical of the island's human rights record. Blaize said such reports were without foundation and he claimed they were instigated by elements inside Grenada who were committed to returning the island to its recent past. Grenada was ruled by a Marxist revolutionary government from 1979-79, which curtailed press freedom and jailed opponents without trial.

HAITI

JUNTA CONFISCATES ALL OF DUVALIER'S ASSETS

PA191226 Madrid EFE in Spanish 1205 GMT 19 Feb 86

[Text] Port-au-Prince, 18 Feb (EFE) -- The new Haitian Government has ordered the confiscation and nationalization of all of the assets of former President Jean-Claude Duvalier, the Justice Ministry reported here today. However, since Monday night uninterrupted protests have been taking place in Les Cayes, the country's third major city, while thousands of people were dispersed by the Army in Port-au-Prince when they protested against new President General Henri Namphy. In view of the situation the ruling civilian-military junta issued a message over the television urging the people to remain calm and cited the numerous reforms that have been implemented since 7 February when Duvalier fled the country for France aboard a U.S. Air Force plane. The junta said that the nationalization of the former Haitian president's assets responds to the "popular clamor" and charged Duvalier with depleting the country's resources and impoverishing the nation.

Some of the 25,000 people protesting in front of the National Palace today were chanting "Down Namphy, down with the Americans," while the most repeated slogan during the Les Cayes demonstration was "We want the junta to go." There is popular discontent in Haiti over the presence of well-known Duvalier followers, including Prosper Avril and Alex Cineas, on the national government junta.

EDUCATION MINISTER CALLS FOR DUVALIER PROBE

FL190318 Bridgetown CANA in English 2133 GMT 18 Feb 86

[Text] Paris, Feb 18 CANA-REUTER -- Haiti's new Education Minister Rosny Desroches today called for an investigation into the wealth of ousted President Jean-Claude Duvalier.

Desroches, in Paris for the current meeting of French-speaking nations, said an inquiry into the size of the Duvalier family's fortune and how they acquired it would serve as a political and moral lesson for the Haitian people.

The country is in a desperate economic situation... We have a duty to justice, and Haitian money is the result of the work, sweat, and tears of many of our people, the minister told reporters. He said he had no mandate to discuss the possibility of asking for Duvalier's extradition to face a committee of inquiry if and when France, which is temporarily harbouring Duvalier, found a country willing to take him in.

When the French Government decided to accept him it was a relief to everyone in Haiti, Desroches said. If another government takes him in, the problem is resolved. But suppose not and that France remains categorically opposed to his stay, then the Haitian Government will have to take a position. Desroches said any country willing to give the ousted president asylum might find itself accountable to the Haitian inquiry committee if it was set up. France originally had hoped to find a home abroad for Duvalier before representatives of the new provisional Haitian Government arrived for the meeting of leaders from 40 francophone nations that began yesterday. The ousted president was to be given a refuge in an Alpine lakeside town for no longer than eight days but has been in the country for 12, to the embarrassment of the French. Desroches said he planned to discuss Duvalier's fate with French officials before returning to Port-au-Prince.

African delegates at the francophone meeting said France had not approached its former colonies to give Duvalier asylum. An official who asked not to be named said: It would be difficult for any self-respecting country to accept him when France itself clearly wants him out.

Desroches said the Duvalier family during their 28-year rule had mismanaged the economy and failed to stop widespread corruption. One of the top priorities of the provisional government should be to set up a watchdog body of independent and credible public figures to examine the nation's accounts, he said. We must start to de-Duvalierize the system, he said.

LEADER URGED TO DISMISS DUVALIER SUPPORTERS

HK200238 Hong Kong AFP in English 0157 GMT 20 Feb 86

[Text] Port-au-Prince, Feb 20 (AFP) -- A group of 650 people, mainly students and businessmen, urged Haitian leader General Henry Namphy Wednesday to replace two members of his new government who it said were strong supporters of the ousted Duvalier regime. In a letter they asked him to dismiss Alex Cineas and Colonel Prosper Avril, members of the ruling National Council of Government, and to appoint "two honest credible and serious civilians, above any suspicion of involvement with the regime of former President Jean-Claude Duvalier. The government then would be balanced, comprising three military men and three civilians, the petitioners said.

TWO TONTONS MACOUTES KILLED; OFFICIAL RESIGNS

PA191717 Paris AFP in Spanish 1527 GMT 19 Feb 86

[Text] Port-au-Prince, 19 Feb (AFP) -- Well-informed sources announced here today that two "Tontons Macoutes" were killed yesterday in Les Cayes, Haiti's third largest city, located 200 km southwest of the capital.

Medical sources told AFP that one of the two militiamen died last night at Les Cayes' hospital where he was taken after being brutally beaten by demonstrators. Meanwhile, unconfirmed sources disclosed that the body of the other militiaman was thrown into the sea.

Radio Metropole today stated that Frank Etienne, the progressive Haitian writer, resigned from his post as director of the Ministry of Information and Public Relations, a post he had been appointed to by the National Government Council (CNG) on Wednesday. According to the radio station, Etienne's resignation was the result of differences in viewpoints with certain members of that ministry.

In conclusion, Constand Pognon, one of the six leaders of the local opposition to the former regime, today stated in a communique signed by the National Unity Democratic Party that the only task that the CNG should have is "to restore order and peace, take care of the general security, and organize new presidential election as soon as possible."

JAMAICA

SEAGA SIGNS COMMODITIES LINE OF CREDIT WITH FRG

FL151932 Bridgetown CANA in English 1623 GMT 15 Feb 86

[Text] Kingston, Jamica, Feb 15, CANA -- West Germany is providing Jamaica with a 15 million mark (J34.8 million dollars) credit line for the purchase of industrial and agricultural commodities from Bonn under an agreement signed here yesterday. The agreement was initialled by the Jamaica Prime Minister and Minister of Finance Edward Seaga and German Ambassador Richard Wagner.

Seaga said the loan was continued timely assistance to Jamaica's economic recovery on the part of West Germany. It is for 25 years with a five-year grace period at a rate of 4.5 per annum.

Jamaica has a severe foreign exchange and balance of payments problem, aggravated by the downturn in its key bauxite-alumina sector because of a soft world market for aluminum and depressed prices. Wagner said West Germany was willing to continue assisting Jamaica particularly during the present difficult foreign exchange situation.

SEAGA ON REAGAN-CARIBBEAN LEADERS SUMMIT

FL191708 Bridgetown CANA in English 1635 GMT 19 Feb 86

[Text] Kingston, Jamaica, Feb 19, CANA -- Jamaica's Prime Minister Edward Seaga was leaving today for tomorrow's summit in Grenada between U.S. President Ronald Reagan and Caribbean leaders saying he expected the discussions to be dominated by issues of trade and aid. According to the official JAMPRESS NEWS AGENCY, Seaga also expected the issue of regional security to be raised in light of the recent turmoil in Haiti with the ouster of dictator Jean Claude Duvalier and the political problems in Grenada itself two years ago. On the matter of trade, Seaga said he intended to raise with Reagan the issue of continued attempts in the U.S. Congress to introduce protectionist legislation.

Any such action must be strongly resisted because of the negative impact it would have on the region, Seaga said. There would also be an opportunity to review Washington's Caribbean Basin Initiative.

For the smaller eastern Caribbean states where there level of trade was not significant, the Jamaican prime minister expected their priority would be maximising American aid. On Haiti, Seaga felt that talks would centre on how to assist the new government to build up democratic institutions which would foster democratic systems and public accountability. Seaga was due to attend a preparatory meeting with other regional leaders in St Georges today.

ST. VINCENT-GRENADINES

MITCHELL TO ASK FOR AID AT REAGAN SUMMIT

FL192150 Bridgetown CANA in English 2115 GMT 19 Feb 86

[Text] St Georges, Grenada, Feb 19, CANA -- St Vincent and the Grenadines Prime Minister James Mitchell today said he will seek financial help from the United States for upgrading the country's airport when he joins eight other Caribbean colleagues for talks with U.S. President Ronald Reagan here tomorrow. The Mitchell administration sees upgrading the Arnos Vale Airport by international standards where it will be albe to accomodate jet landing as crucial to national economic development.

Mitchell told reporters he welcomed Reagan's planned visit to Grenada. (It is not often that) we get a president of the United States paying two visits to the Caribbean during his term of office, and I am pleased with that, he said.

Reagan was last in the Caribbean in April 1982 when he spent a three-day working holiday in Barbados. His visit to Grenada tomorrow will last just under four hours.

TRINIDAD-TOBAGO

CHAMBERS TO RAISE QUOTA QUESTIONS WITH REAGAN

FL151324 Bonaire Trans World Radio in English 1130 GMT 15 Feb 86

[Text] Sources at Trinidad and Tobago's Ministry of External Affairs say Prime Minister George Chambers will attend next week's meeting in Grenada with U.S. President Reagan. Initially, there was some speculation that Mr Chambers would skip the meeting, but sources confirmed that the Trinidadian leader will attend and raise a number of vital issues affecting Trinidad. Among those are the new import quotas established in the United States on Trinidad sugar entering the American market.

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CONGRESSMEN ISSUE STATEMENT ON FALKLANDS

PY202214 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1732 GMT 20 Feb 86

[Text] Buenos Aires, 20 Feb (NA) -- The Argentine congressmen visiting London today stated that "obviously it is possible to peacefully, and in a civilized manner, resolve the conflict between the two countries" over the Malvinas, reiterating their regret at reports of their intended meeting with a British Government official.

In a joint statement, which was released simultaneously in London and Buenos Aires, Senators Adolfo Gass (Radical Civic Union) and Julio Amoedo (Popular Conservative Party) and Deputies Federico Storani (Radical Civic Union) and Jose Bordon (Justicialist Party) expressed their satisfaction with the results of the tour, the first one Argentine congressmen have made to Great Britain since the South Atlantic war in 1982.

The following is the text of the statement:

"We, the Argentine congressmen who are unofficially visiting the United Kingdom, express our satisfaction with the scheduled activities and meetings held with UK counterparts, MP's, academicians, journalists, church leaders, and members of other representative sectors of British life.

"Over the past 2 years, ever since Argentina restored its constitutional government, innumerable unofficial contacts between the Argentine and British peoples have taken place, including the ones held by congressmen of the two countries on several occasions -- among them the visit by our UK counterparts to Argentina.

"During those broad and frank talks, the stand we Argentines have concerning the sovereignty claim over the Malvinas Islands was constantly expressed.

"We were able to prove during those meetings that when one holds talks in good faith, seriously, with imagination, and with a willingness to overcome problems, it is possible to resolve, peacefully and in a civilized manner, the conflict between the two countries.

"In that same spirit we have come to Great Britain, convinced that holding talks with our interlocutors, without omitting any issues, is a valuable contribution toward overcoming the problems separating our governments, seeking to facilitate an understanding between them.

"The meetings held with Conservative, Labor, Liberal, and Social Democratic MP's which, on the part of the opposition, included their respective leaders, were mutually beneficial, valuable, and informative, owing to the broad spectrum of the talks and the fact that no issue was omitted but included all aspects concerning a solution to overcome the dispute over the sovereignty of the Malvinas Islands. For the first time, on 18 February, MP's from the above-mentioned parties, including the Conservatives, held talks with us at the British Parliament on all the aspects of the dispute. This is an important achievement for the Argentine congressional effort. Thus, we have fulfilled the scheduled program and our visit's goal.

"Concerning the various reports published by the press and the 'Foreign Office' [preceding phrase in English] communiques, we noted with regret that efforts were made to generate great expectations, as if the purpose of our visit was to hold meetings with British Government officials.

"Neither before nor during our stay did we consider such meetings possible. We did not intend to rebuff the British Government and, taking into account the lack of diplomatic ties between the two governments, the decision to initiate contacts such as the ones proposed must be made, according to the Argentine Constitution, by the national executive branch, which has repeatedly expressed its willingness to establish those contacts in compliance with the UN General Assembly resolution, and the appeals made by the World Union of Congressmen [Union Parlamentaria Mundial].

"We regret that a Foreign Office communique once again reasserted that none of the talks could include the problem concerning the dispute over the sovereignty of the Malvinas Islands and that, during our goodwill visit, the prime minister reasserted her intransigent position on that point by announcing a trip by the Foreign Office deputy minister to the Malvinas.

"We believe that these attitudes are contrary to those of all our interlocutors who, without stopping to raise arguments supporting their positions, were willing to discuss their positions with us in an open and reasonable manner, seeking, through the holding of serious talks, a way to improve our ties and find a solution."

PRELIMINARY AGREEMENT REACHED WITH IMF

PY202138 Buenos Aires TELAM in Spanish 2129 GMT 20 Feb 86

[Text] Buenos Aires, 20 Feb (TELAM) -- The Economy Ministry this afternoon reported that Argentina has reached an agreement with the IMF on the differences observed between accomplishments and targets established for September 1985, a situation which had been blocking the disbursement of $265 million of the stand-by credit. Jacques do Larosier, general manager of the IMF, has approved the accord and will now submit it to the IMF board for final approval.

INDUSTRY SECRETARY DISCUSSES NEW CREDIT PROGRAMS

PY132357 Buenos Aires CLARIN in Spanish 12 Feb 86 pp 14, 15

["Text" of interview with Industry and Foreign Trade Secretary Roberto Lavagna by CLARIN reporters Martin Ravazzani and Marcelo Bonelli in Buenos Aires -- date not given]

[Text] [Question] New credit assistance has been announced, but what are the specific payback periods and amortization schedules for this special financing?

[Lavagna] The announced lines of credit provide support for equipping small and medium-sized industrial companies, as well as technological improvements. They are also meant to encourage exports. Consequently, there are various lines of credit. The first one is for financing the purchase of Argentine-made capital equipment up to 500,000 australes. This line has a 5-year payback period, plus a 1-year grace period. The annual interest rate is 8 percent above the combined price index. This loan will be readily available, because the machinery will be used as collateral.

[Question] What are the amortization schedules for these credits? Every month? Every six months?

[Lavagna] The regulations are being worked out....

[Question] What are the details of the other lines of credit?

[Lavagna] The second line of credit is meant to aid the equipping of small enterprises with Argentine-made capital equipment. Each enterprise is limited to a credit of 150,000 australes, but it will have further credit support for working capital. Once the machinery has been installed, the enterprise will be entitled to up to 50,000 australes of working capital, with an interest rate 12 percent above the annually combined price indexes. There is also a line of credit intended to attract the scientific-technological community to investment projects, as is done in all the economies of the world. In this case, the loan will have to be repaid in 5 years at a cost of 5 percent above the annually combined price indexes. Then there is another prefinancing line of credit for manufacturers of capital goods who are pressured by the demand created by the incentive given for the purchase of equipment. This prefinancing credit will be granted under the same terms granted to the purchasers of machinery. Small and medium-size companies that export local products will also be given credit assistance. In total, $400 million will be granted.

[Question] Where will the funds come from?

[Lavagna] The funds are part of this year's budget. They have been apportioned specifically for this purpose. These credits will begin operating 1 March.

[Question] Do these credits represent an increase in the overall supply of credit, or do they represent cuts in other areas?

[Lavagna] The decisions of monetary policy have to be adapted to each economic circumstance. To the extent that it moves into the process of reactivation, the economy requires more money supply, and this will represent a net increase in credit. However, this does not mean that in some months, for reasons for monetary programming, cuts will not be made in other areas.

[Question] How many enterprises will benefit?

[Lavagna] On the average, about 1,000 enterprises will benefit from the second line of credit for small enterprises to purchase Argentine-made capital equipment.

[Question] Isn't this number too small, considering the number of small and medium-sized enterprises?

[Lavagna] Existing experience with credits indicates that all of these lines will probably not be used up. The limit of 1,000 is sufficient for the companies with the ability and projects at this time.

[Question] Are the export programs to be drawn up for companies individually or can they be drawn for sectors?

[Lavagna] The Industry and Foreign Trade Secretariat does not choose exporters, nor does it choose products or markets. The secretariat devises a general promotion policy, giving the entrepreneurs freedom to move. The sectors that can be included in the export programs are all those exporting manufactured goods; some of those that process raw materials; those building turn-key plants, ships, and infrastructure works abroad; and those engaged in services.

[Question] It was said at first that $300 million was needed to fund these export programs. Now it is $60 million, which seems very little, does is not?

[Lavagna] No, it does not. In the first place, the budget assigned $60 million specifically to export promotion. Then there is the "Jurisdiction 91" that provides additional resources for some specific programs, including export programs.

[Question] But can resources from "Jurisdiction 91" be obtained with Brodersohn as finance secretary?

[Lavagna] The finance secretary participated in the drawing up of the overall policy.

[Question] The program seems to benefit only large enterprises that have the ability to enter the international market.

[Lavagna] One of the elements that will be taken into account to evaluate those projects is their ability to expand the enterprise and increase indirect employment. It is not only for large enterprises.

[Question] With the current dollar exchange rate, how good are the conditions for export?

[Lavagna] The exchange rate is related to the performance of the industrial price index, and this has changed very little since the Austral Plan was implemented. Consequently, it is not right to speak of a deterioration of the rate of exchange, particularly considering the appreciation of the European currencies against the dollar. Instead, there is an improvement in the effective rate of exchange regarding the basket of currencies used for Argentine exports.

[Question] Fiscal incentives will be given to boost the exchange rate. Does this mean that the exchange rate has deteriorated?

[Lavagna] No, because these are not part of a temporary policy. They are part of a structural policy which tries to compensate for some structural flaws in the economy. This is the position that the government will take before international organizations. It is possible that in some external markets, objections will be raised against incentives that operate as subsidies to compensate for structural gaps.

[Question] Is the interest rate at an adequate level?

[Lavagna] No. The interest rate is very high. This is why the reactivation projects must begin by creating credit mechanisms that cut down financial costs. The reduction of the interest rate is being considered, within the macroeconomic policy.

[Question] Did you feel that you were being criticized by the president of the Rural Society when he said that your policy goes against agricultural interests?

[Lavagna] I will not comment on someone else's statements. I will only point out two things: First, this is the Secretariat of all Argentine foreign trade, which means that it will assign a fundamental role to the primary export sector; and two, if there should be any doubt of that, I want to say that I devoted my first 10 days in office putting back on course the grain trade agreement with the Soviet Union, reaching agreement in a delicate international market.

[Question] Can we announce the reduction of withholdings on export-generated foreign exchange for the summer crops?

[Lavagna] I can only say that there will be a reduction....

[Question] Will the withholdings on manufactured goods exports be reduced?

[Lavagna] It depends on which type of maufactured goods. The Industrial Union has promised to bring in a list of manufactured products that cannot be exported because of those taxes.

[Question] And the withholdings on meat exports?

[Lavagna] In general terms, they will not be reduced.

UCR DECLINES ROLE IN CGT NATIONAL CONGRESS

PY190049 Buenos Aires TELAM in Spanish 1456 GMT 18 Feb 86

[Text] Buenos Aires, 18 Feb (TELAM) -- The Radical Civic Union [UCR] National Committee has decided not to accept the invitation of the General Confederation of Labor [CGT] to participate in the so-called national unity congress. This is stated in a document delivered today to the CGT which reiterates that the UCR wants to participate in a dialogue and reach an agreement with all the national sectors, particularly with working class and its representative organizations.

The document also reiterates the UCR concept of national unity, which is based on pluralism and coexistence, an institutional approach to conflicts, support for the democratic system, and the elimination of violence. The UCR has always advocated this concept. This is why the UCR is the majority party in Argentina. It is supported by workers, businessmen, students, housewives, technicians, tradesmen, rural workers, and professionals; by people from all national sectors.

In conclusion, the UCR document says: We wish to summon our millions of members and sympathisers, as well as all the inhabitants of our country, to make 1986 the year of Argentina's takeoff in growth, production, effort, and serious creativeness in order to finally leave behind useless rhetoric and irresponsible ideologies that have hindered and harmed us so much.

CGT Criticizes Radicals

PY200231 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2355 GMT 18 Feb 86

[Text] Buenos Aires, 18 Feb (NA) -- The General Confederation of Labor [CGT] this evening accused the Radical Civic Union [UCR] of having run out "of arguments" and of talking about "corporativism and other nonsense to cover up its lack of solutions." These statements are contained in a harsh communique rebuking the governing party's document declining the CGT's invitation to participate of the National Unity Congress. The CGT criticises the government headed by President Raul Alfonsin by stating: "Like totalitarian regimes, the government wants unrestricted support in order to do exactly the opposite of what it promised during the electoral campaign, and behind the people's backs."

The CGT document, signed by Secretary General Saul Ubaldini, states that "the governing party has no answers" and warns that "it is isolating itself in the unsuitable and undesirable company of the IMF."

It then goes on to say that "in the meantime, the Argentine people cannot live off literature or rhetoric: the cost of living continues to soar upward while salaries remain frozen; factories close every day; and every day some sector that can no longer sustain the situation flares up into conflict."

The document states that if the UCR national committee's answer, which implicitly accuses the CGT of being a "corporative organization," is the result of "10 days of reflection by the governing party, we are lost." The CGT states that "there is no suggestion on how to overcome the crisis; no mention was made of our proposal other than slanderous and insulting remarks; there is no sign so the people can know the government's immediate plans."

The document adds that "we feel let down once again," stating that "after reading three pages of the text (of the UCR document) we realize that the governing party cannot explain what the government does, says, or decides, what the president intends to do, or what has been agreed with the IMF." The CGT document continues that "this is a democracy which is handled like a card game in which the future of the Argentine people is being left to fate without anyone knowing what is going to happen tomorrow."

The CGT believes that "unemployment, shortages, the progressive paralyzation of the productive apparatus, the reduction of our foreign resources, the constant deterioration of the social crisis and the snowballing of the alleged foreign debt are subjects that the government party does not want to discuss nor reach an agreement on." It adds that "democracy will not grow stronger, nor the nation greater, nor the people happier with arrogance and a fear to discuss the truth."

In another paragraph the document states that "dialogue among the various sectors continues to be the valid tool to exercise democracy and that God guides our good intentions and our actions because we know that the people are aware of the truth and the justice of our actions." The CGT accuses the UCR of mistaking "national unity with unanimity of points of view" and the "real and concrete problems with ideological discussions." After listing the political forces that have accepted their invitation to the unity congress and the objectives that prompted this congress, the CGT notes that "the governing party and the Buenos Aires Province Conservative Union" are the only sectors that turned it down.

FORMER JUNTA OFFICIALS FACE REBELLION CHARGES

PY192012 Buenos Aires BUENOS AIRES HERALD in English 19 Feb 86 p 9

[Text] (NA-DYN) -- Military and civilian officials of the past de facto government, including former Economy Minister Jose Martinez de Hoz, could be called on to testify in the case where former junta members are accused of "rebellion" against former President Maria Estela Martinez de Peron.

In relation to this case, Federal Judge Amelia Barraz de Vidal received on Monday in the Magdalena military detention centre a brief prepared statement from former commander-in-chief Jorge Videla, Emilio Massera and Orlando Agosti, but all three refused to be interrrogated, making use of their constitutional right to remain silent when the judge questioned them on their statements. It was disclosed that the statements included the motives that led to the coup and other political considerations.

Martinez de Hoz is also accused of rebellion in the same case, and his situation could be even more vulnerable than that of the former commanders-in-chief since it is common knowledge that his economic plan was prepared two years before the fall of the Justicialist government.

Barraz de Vidal also interrogated yesterday former deputy Ricardo Balestro (Liberal-Corrientes), who is being tried for calling Federal Prosecutor Julio Cesar Strassera an "immoral traitor" on Radio Mitre for his role in the trial against nine former junta members for human rights violations. Balestra refused to answer the judge's questions, claiming that at the time he allegedly insulted Strassera, he was under parliamentary immunity. Barraz de Vidal must rule on this matter and her decision can be appealed by the defendant.

Current jurisprudence states that parliamentary immunity is valid when a legislator is participating in a debate, but not when he is making public statements, as was resolved in the suit that centrist deputy Alvaro Alsogarary filed against his colleague Christian Democratic Augusto Conte.

Attorney Alberto Rudriguez Varela (Videla's lawyer and justice minister during his administration) and Roberto Durrieu are defending Balestra, who submitted an abortive bill to scrap the juntas trial. In reference to this trial, the federal court will begin receiving next Monday the responses by Strassera and the attorneys of the defendants to the sentence that condemned some of the accused to life imprisonment. After receiving the various observations, the court will decide if any of them may appeal the sentence to the Supreme Court. The prosecution will question the sentence on the basis that each junta should be tried as a whole and not their members as individuals, hence each junta member should receive the same -- very severe -- penalties.

DEMOCRATIC CENTRISTS LAUNCH UNITY EFFORT

PY182305 Buenos Aires LA PRENSA in Spanish 16 Feb 86 p 4

[Excerpt] Hector Siracusano, general coordinator of the Centrist Integration Movement [Movimiento de Integracion Centrista] of the Democratic Centrist Union [UCD], called a press conference to issue the declaration of principles of this new group. The meeting was held at the UCD headquarters, located at 1141 Rivadavia Street, and was attended by UCD leaders and members who support the initiative.

Siracusano noted that some UCD members have made certain statements and adopted certain attitudes "which were not necessarily made out of bad faith but, as a result of the civic fervor that characterizes us, are against the UCD doctrine and its political line. This caused a strong reaction from a group of UCD leaders and members who do not support these sorts of deviations."

He added that as a result of this, several initiatives have been undertaken defending UCD principles and that "one of these resulted in the establishment of the MIC, which was officially established by issuance of a document reaffirming principles and objectives that can be supported by all UCD members."

Siracusano noted that this movement is one of a conciliatory and truly democratic nature and not authoritarian. It seeks to consolidate party unity without excluding the activity of inter-party groups within the UCD, with the objective of perfecting and complementing ideas, party guidelines, candidacies, and other aspects concerning political activity.

He added: "The MIC strives to safeguard the guidelines and values on which the UCD is established by respecting the freedom of action of all of its members, but avoiding deviations and actions of individuals or sectors that will undermine the party's activities."

ENERGY SECRETARY OPPOSES PRIVATIZATION PLANS

PY161942 Buenos Aires BUENOS AIRES HERALD in English 16 Feb 86 p 2

[Text] Cordoba, (NA) -- Energy Secretary Conrado Storani said yesterday he will oppose "categorically" the complete privatization of the Bahia Blanca and General Mosconi petrochemical plants, saying "the state has invested too much money in those plants to abandon them completely now." In Cordoba for the opening of the Rio Grande dam on Friday, Storani said "I will argue and debate my position with President Alfonsin and whomever else necessary." Economy Minister Juan Sourrouille announced the two plants would be sold off in a major speech last week, along with the SOMISA steel plant.

Storani said there was no dissent in government circles on the issue, but rather "an exchange of opinions," and that he will respect Alfonsin's decision whether to privatize or not. Most observers believed that, with Sourrouille's announcement, the decision to sell off the plants had already been taken. "I have my particular point of view on the need for private investment capital in the sector," said Storani, but "in this case, I believe that the state has invested too much to lose the two companies that turned a profit." He said the state should hold on to at least 51 percent of the companies.

Referring to Argentina's call to foreign oil companies to invest here, Storani said "Argentina is moving ahead, and the future in the petroleum area is very auspicious." He called the state oil company YPF's call for oil drilling bids "a big success" even though "surely someone who wants to find some reason to criticize my administration or that of the government in general will find it." Storani also denied that he disapproved of Alfonsin's naming of Cordoba Deputy Carlos Becerra as presidential chief-of-staff, calling the reports "totally inaccurate" and saying that "I would never be opposed to youth's advance in the party." In another interview Thursday night, Storani said that he knew of "maneuvers by midnight de-stabilizers." "We are at a dangerous stage for the nation," said Storani, "in which some try to take for themselves the right to be more than opponents, but rather destructive censors who try to impose their postures over and above the verdict of the ballot boxes."

FARM PRODUCE PRICES, TAXES RESCHEDULED

PY192209 Buenos Aires TELAM in Spanish 2139 GMT 17 Feb 86

[Text] Buenos Aires, 17 Feb (TELAM) -- The national government has ordered total and partial reductions in the export duties on several agricultural products. It has announced that it will send Congress a draft taxation reform bill for this sector. It has also unfrozen the price of cattle on the hoof and it has readjusted the consumer price on beef cuts. Agriculture, Livestock, and Fisheries Secretary Lucio Reca announced these measures this afternoon during a press conference. The following are the main measures:

Export duties were reduced on the following: corn: 8 points, that is, from 29 percent to 21 percent; sorghum: 8 points, from 28 to 20 percent; peanuts: 11 points, from 24.5 to 13.5 percent; yerba mate: 14.5 points, from 24.5 to 10 percent; olive oil: 10.5 points, from 15.5 to 5 percent; wines: 6 points, from 11 to 5 percent; and citrus products: 5 points, from 10 to 5 percent. Export duties were eliminated on the following: cotton fiber, rice (the best qualities, tea, grapes, apricots, plums, apples, cherries, raisins, molasses, and pears.

This represents a $30-million reduction in national revenue, but an increase in income of about $100 million for the regional economies. A single exchange rate will be used during the 1986-87 farming year for all pampa region agricultural products by establishing a uniform rate of 15 percent.

A draft tax reform bill for the agricultural sector will be sent to Congress. It will provide for the replacement of taxes on profits and capital by a tax on the market value of land without taking into consideration improvements to the land. According to Reca, the fairness of the project will be endured by progressive tax rates and by a tax threshold for those who currently do not contribute because of the small size of their operation. Reca said that, through the substitution of one form of payment by another, it is expected that revenue collection will increase and that the surplus will be used for the systematic and progressive reduction of export duties. This reform does not mean that the sector will be overburdened in any way. This is a basic issue for the government policy, Reca said. If Congress approves this project while the land is being surveyed during 1986-87, the taxes paid will be received on account of current taxes on income and capital.

The National Grain Board has signed export agreements with the Soviet Union for the export of 4 million tons of fodder grain and 0.5 million tons of soy beans; with Mexico for the export of 1.3 million tons of grains; and with Brazil for the export of 1.6 million tons of wheat.

As of today, the fixed maximum prices for cattle on the hoof were suspended and wholesale and retail trade prices were also readjusted. The price of first class cuts to the consumer have been increased 15 percent. Other cuts remain at the price established in June. The price of butter to the consumer will rise 15 percent as of 20 February, with a further 9-percent increase as of 20 March. The prices of other dairy products will go up 9 percent.

ALFONSIN MEETS REPRESENTATIVES OF GROUP OF SIX

PY171654 Buenos Aires TELAM in Spanish 1422 GMT 17 Feb 86

[Text] Buenos Aires, 17 Feb (TELAM) -- Presidential Raul Alfonsin, one of the signatories of the Group of Six for detente and peace, this morning met in the Olivos residence with the representatives of the other five members of this movement, which was created on 22 May 1984. The meeting with Foreign Ministry officials of Mexico, Greece, Sweden, India, and Tanzania lasted 20 minutes. At the conclusion of the meeting Jorge Sabato, secretary of international relations, told reporters that the Group of Six will probably meet in Mexico at the presidential level toward the end of the first half of this year.

PERONIST LEADER CAFIERO VISITS NICARAGUA

PY141640 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 13 Feb 86

[Text] Buenos Aires, 13 Feb (NA) -- The Peronist Renewal Front leader Antonio Cafiero today stated that he could see for himself that in Nicaragua "there is an atmosphere of considerable freedom, considering that a great portion of the country's territory is in a state of war, a war waged by groups of 'contras' which are officially sponsored by the United States." Speaking with NOTICIAS ARGENTINAS by telephone from Managua where he went to attend a conference of Latin American political parties for peace in Nicaragua, Cafiero stated that "I could read the independent press and speak with opposition party members, who even participated in the conference, harshly criticizing the Sandinist Government."

Cafiero, a member of the triumvirate governing the Peronist Renewal Front (along with Carlos Menem and Carlos Grosso), stated that he also talked with a member of the Nicaraguan Supreme Court of Justice who "ideologically is a conservative." Cafiero said that he delivered a brief speech to the Latin American conference on behalf of his party and the Intransigent Party, the Christian Democrats, and the Peace and Justice Service, which also sent delegates to the conference.

Cafiero stressed the need to emphasize a policy of nonintervention and nonalignment in Latin America and stated that General Juan Peron had insisted on the need for Latin American integration, recalling Peron's dictum that "the year 2,000 will find us either united or dominated." A total of 118 Latin American political parties and nearly 200 delegates participated in the meetings, and about 60 to 75 speeches were given. Owing to the number of participants, the Argentine representatives from the Communist Party, the Movement toward Socialism, and the Workers Party, who were also present, could not speak during the conference.

Cafiero emphasized that in his speech he stressed the need to strongly defend "nonalignment." He also pointed out the presence of political parties currently in power in Latin America, such as the Peruvian APRA [American Popular Revolutionary Alliance], whose spokesman spoke on President Alan Garcia's behalf. Cafiero also stressed the presence of representatives of the Uruguayan Colorado Party and the Colombian Conservative Party, also currently in power.

On the other hand, Cafiero said that "the Mexican Institutional Revolutionary Party (PRI) and the Argentine UCR [Radical Civic Union]" were conspicuously absent. Cafiero was received by Commander Bayardo Arce, a member of the Sandinist National Liberation Front (FSLN) Executive Board. He also visited the National Assembly building and held meetings with leaders of the legally recognized opposition parties.

Cafiero will leave for Guatemala today. He was officially invited by the Guatemalan Christian democratic government presided over by Vinicio Cerezo. After this visit, Cafiero will return to Buenos Aires this weekend.

SOUTH KOREAN NATIONAL ASSEMBLY SPEAKER ARRIVES

PY180225 Buenos Aires LA PRENSA in Spanish 15 Feb 86 p 3

[Excerpt] Yesterday morning, Argentine President Raul Alfonsin received at the Olivos presidential residence Yi Chae-Hyong, the speaker of the South Korean National Assembly, who is paying an official visit to Argentina together with several chairmen of legislative committees.

During the meeting Alfonsin and Yi Chae-Hyong discussed international trade and politics. At the end of the meeting, Korean journalists who were present at the residence asked President Alfonsin to deliver a message for the Korean people. Alfonsin expressed satisfaction over the visit of the speaker of the South Korean National Assembly and his entourage and indicated that he was conveying cordial greetings to the Korean people, their president and government "together with my acknowledgement and gratitude for the invitation that I have received."

Alfonsin said: "I hope to soon avail myself of the pleasure to be in Seoul, South Korea, to see for myself the extraordinary effort which that striving nation is making to achieve economic development." Shortly after noon, the visiting legislator was decorated with the Order of the Liberator General San Martin at the level of Grand Cross.

FORMER NAZI REPORTEDLY FLEES TO PARAGUAY

PY201945 Buenos Aires TELAM in Spanish 2341 GMT 19 Feb 86

[Text] Buenos Aires, 19 Feb (TELAM) -- The report that a former Nazi has fled to Paraguay from Toldos, which is located in central western Buenos Aires Province, where he has been living for the last few years, could not be confirmed today by police, judicial, or government sources.

According to the report published in a Buenos Aires morning daily the former Nazi is identified as Teodoro Sounnen, 77 years of age, who is accused of participating in the killing of Jews in a concentration camp outside Berlin during World War II. The report also indicates that Sounnen, who was found by an Israeli commando last year, fled to Paraguay on an Uruguayan passport when he realized that his capture was imminent.

Official sources of the Buenos Aires Police, government, and judicial branch who were asked about this case in La Plata today did not confirm the press report. Officer Marcelo Avila of the police precinct in Toldos told TELAM that he knew nothing about the report and that the police are not aware of anyone by that name, or any other former Nazi with any other name, living or having lived in Toldos. No information could be obtained from the people working for the local daily EL MUNCIPIO or the Channel 4 closed circuit television company.

BRIEFS

NEW PRESIDENTIAL SECRETARIAT AUTHORITIES -- Buenos Aires, 17 Feb (TELAM) -- Carlos Becerra, secretary general of the presidency, today appointed Carlos Enrique Gamond the new under secretary and Alberto Luis Castagna the coordination under secretary of the mentioned office. This announcement was made by presidential spokesman Jose Ignacio Lopez, who confirmed that Horacio Costa will be sworn in as head of the government action under secretary and Jorge Fernandez Pastor as head of the legal and technical secretariat of the presidency. Gamond replaces Daniel Larriqueta, who has been appointed defense production secretary, and Castagna will replace Jorge Garcia Ferro, who has been appointed budget control secretary, both in the defense field. [Summary] [Buenos Aires TELAM in Spanish 2158 GMT 17 Feb 86 PY]

SARNEY ADDRESSES NEW CABINET'S FIRST MEETING

PY202332 Brasilia Radio Nacional da Amazonia Network in Portuguese 1134 GMT 20 Feb 86

[Address by President Jose Sarney to the first meeting of his new Cabinet at Planalto Palace in Brásilia -- live]

[Excerpts] Once again I have called a Cabinet meeting to evaluate the work that has been done. But this time we are doing so in the presence of new Cabinet members who have been recruited to undertake the difficult task of continuing the construction of the New Republic. To those who have left the Cabinet, I am thankful for their cooperation during these difficult times which have been marked by many obstacles. The year ahead will be one strewn with changes. But we are prepared to face the challenge.

Gentlemen: I call on you to experience with me the difficult problems that government administration and political affairs entail at a time in which the history of Brazil is testing the fiber and courage of its statesmen. I have tried to fulfill my duties with sacrifice, loyalty, and unblemished moral behavior. The Brazilian nation shall never have to claim anything from me for any wrongdoing. I only have one objective: to fulfill my duty; and only one duty: to serve my country. I will be invulnerable to all pressures that try to lead me astray from this objective. I am giving all of myself to achieve this objective as one committed to his destiny.

The government has no other commitment than that to the nation, and no other national interest than that of the will of the people. The government belongs to the people. The government knows that it is a legitimate government only when the people are in power and when power belongs to the people. We have established our priorities in the social sector aimed at benefiting the poor. With all our effort, we must aim to achieve this goal.

The government has chosen sovereignty and independence; it has chosen development, cultural identity, and freedom. The government has said no to recession, to the loss of the purchasing power of salaries, to unemployment, to violence. It has said yes to agrarian reform, to the participation of workers in the decision-making process, to austerity, to balanced public accounts, and to hard work. This is not an elitist government, neither is it a dogmatic, conservative, or ideologic government. This is an open, democratic government that is sensitive to the people's claims, a government that believes in private initiative but remains on guard against such possible deviations as agreements on prices, cartels, or abuses of economic power. We are here to continue the same task Gentlemen, I invite you to join a government that expects to go down in history for its social achievements and for the creation of the state of law.

Messrs Ministers: I once again invoke the Democratic Alliance commitment that Tancredo Neves, one of the pillars of our history, voiced in public meetings. I reiterate to the Cabinet that our task calls for changes, democratic evolution, persistent search for reconciliation, and fulfillment of the commitments assumed by the Democratic Alliance. The document through which the Democratic Alliance was created states: Only if the people unite behind the permanent values that we share will it be possible to preserve our peace and our sovereignty, foster economic growth, and promote social justice.

Today I am again proclaiming this principle, primarily to strengthen the conviction that my government remains faithful to its origin, to its commitments, and to its objectives. I availed myself of my constitutional powers, which are part of the presidential republican system of government, to introduce changes in the cabinet team. However, I did not forget the Democratic Alliance's political platform. The fulfillment of democratic objectives demands that all ministers share the same views on the work of the government, which is based on the coordinated action of the ministers, who are close presidential assistants (?for whom the president is responsible).

In our capacity as officials holding elective posts, we have political ties that can and must be preserved and respected, and yet our strongest commitments are to our country, its tranquillity, and the restoration of democracy. All of us should work to attain this goal because all of us are on the same side. Therefore, this meeting is the continuation of work that began [words indistinct]. On 15 February, when I installed the new Cabinet members, I tried to explain the reasons for the Cabinet changes. I will now reiterate the basic concepts underlying the speech I made on that occasion: loyalty, responsibility, sense of duty, and work. Therefore, the order is to perform efficiently.

The change I have undertaken must be added to the course I am trying to chart for the government to (?resolve) Brazil's complex political and economic situation. You, as ministers of state, have received from me the mission entrusted by the entire nation. Over the past few months we have been working hard conducting institutional changes.

Our freedom is the result of the measures the Brazilian people have taken to regain their sovereign rights. The country's institutional profile has changed, and the following objectives have been achieved: the establishment of direct elections at all levels; the call for a national constituent assembly; the recognition of the right to vote for the illiterate; freedom of party organization; the amendment of the labor laws; freedom of expression and of communication. The country has returned to the ballot boxes in an orderly manner. Congress -- and here I want to thank Senator (Mouro) for the help that Congress has granted to our leaders -- has actively participated in the decisions ruling the country's destiny, thus turning the people's representatives into better instruments in the service of the nation.

Economic development and growth have not been mere distant goals, but firm guidelines which have strengthened and given greater significance to government actions in the economic sector by reversing the recession. The economic indexes show that the economy is growing. This can be seen in the increase in the level of real salaries by approximately 15 percent, the creation of approximately 2 million employment opportunities, and the maintenance of a high trade surplus. These positive results are still far from meeting the expectations of the people, who have been repressed by years of recession and (?unequal) distribution of income. But our awareness of social needs has prompted us to devise a program and carry it out. No initiative has been adopted without taking into account the urgent need to recover the tremendous social and moral debt the country has contracted along its history. The emphasis put on development, growth, and increasing the purchasing power of salaries was in fact the essence of that program.

Brazil will never be a great nation as long as most of its inhabitants live in dire poverty, as long as inequality prevails, and as long as the victories achieved in the legal field are not extended to the social and economic sectors. This situation has inspired the government to propose agrarian reform, taking into account the need for stability and harmony in the fields, seeking to strengthen production and new initiatives.

This also inspires us to give priority attention to education, to the people's food supply, to irrigation of the northeast, and to all government assistance programs. The administration of the economy [words indistinct] imposed solutions on the most legitimate interests of Brazilian society. Our foreign policy, developed over a period of 150 years, has been strengthened under the democratic regime. Messrs Ministers, the five points that make up the government plan have little by little become a reality over the past few months, but there is still much to be done. These points are objectives, landmarks that guide the action of Your Excellencies. We are here to promote changes, to make the government action more effective, to serve this great nation.

The Ministry of Finance must improve its ability to guarantee the permanence of our growth and struggle against inflation. The public sector must likewise be managed wisely so it can enhance production and work instead of financial speculation, (?improve) state companies, increase government productivity, simplify legislation, and implement a clear-sighted fiscal and tax policy. The struggle against misery and hunger must be the priority of our social sector. The urgent need for nourishment, health, and social security programs must not hinder the necessity for the implementation of long-term programs to guarantee education and work for all Brazilians. Government assistance must guarantee the rights of the poorest in the fields of social security, medical assistance, free education, and work.

I am counting on this harmonious team to enable me to continue my efforts of administering the whole country as it deserves. Ours is a challenging mission but in order to fulfill it wecount on the guarantee and approval of the government and society in our [words indistinct] and successful measures, as well as on the loyalty and frankness of [words indistinct]. Whenever we lack resources, we must excel in creativity. We do not want to find problems, only solutions.

I also want to thank the ministers who remained in their posts. This meeting is to explain your guidelines. A ministry is a team that must have a team spirit and must act as a single body, so that government action will not be limited by personal competitions. All the ministers must give themselves to joint government action. All of you owe it to yourselves to attain an intention, a new phase, and an objective. Therefore, the success of our government action undoubtedly will be based on our unity.

The public discussion of disagreements that have already been resolved internally will not be tolerated. Debate is healthy, and the exchange of ideas in seeking solutions is creative. However, when a line of action and conduct has already been determined, controversy is intolerable. Controversy weakens the government and, above everything, it hinders teamwork, which is the form by which any government should work. Therefore, a cabinet may not disagree. I know that this will not happen. However, it is always good to remain alert to signs of disunity.

To those ministers who remained in their posts, I reiterate the guidelines I have already given. To those who are now beginning their tasks, besides recommending that you comply with the programs that are already being executed by your ministries, I wish to renew and add the following recommendations:

Mr Minister of Justice, the great, exceptional political event that will mobilize the nation this year will be the elections of the national constituent assembly, the government, and the state legislative assemblies.

Mr Minister, it will be your task to transmit the government's (?feeling) regarding the importance of this decisive stage in our national life within the context of a broader project, as well as the strengthening of Brazilian political institutions and the full implementation of our state of law.

The improvement of the democratic process should not be limited by the great, exceptional legal matters that must take place without fail to guarantee the people's rights. There are specific matters that demand urgent measures: protection of children, expedition of legal procedures, combating violence and crime, defense of consumers, improvement of the ethical and professional standards of the police cadres, legal improvements to discourage and punish financial abuses and corruption as well as the excessive promotion of women's rights [as heard].

The Justice Ministry has yet to enforce greater discipline through the country's judicial branch and the necessary amendments to the Brazilian judicial (?system), in order to guarantee greater efficiency in fulfilling its main duty, which is to build a society free of restraints caused by the excessive intervention of the state apparatus. The Justice Ministry will maintain its historic tradition of safeguarding the enforcement of laws while faithfully respecting the Constitution.

Mr Foreign Minister, the main objective of our foreign policy is to strengthen Brazil's image in the international arena. I want a foreign ministry willing to negotiate and aware that dialogue is only possible when equality exists. As of now I want more emphasis placed on the priority objectives of our foreign policy: regarding disarmament and detente, Brazil will cooperate inspired by its traditional policy of seeking conciliation, equilibrium, and realism; a just economic order that will seek fair solutions to the foreign debt crisis; ever-increasing priority treatment to the Latin American continent, not only through participation but also through the integration of Brazil with the continent in all joint efforts, especially those seeking a solution to the foreign debt crisis and the problems affecting our Latin American brothers. We need a policy for the Middle East that will strengthen ties of friendship with the countries of that area and contribute to the creation of a national Palestinian state, which is the aspiration of those long-suffering and great people, and seek the evacuation of the occupied Arab territories, respect for the UN resoultions, the right of all countries of the region, including Israel, to live in peace within internationally recognized frontiers. We need to strengthen our relations with the countries of Africa; to (?start) repudiating the persistent and abominable racism in South Africa; development of the great potential relationship with Asian countries whose dynamism represents the innovating force of present times; improvement of mechanisms of cooperation with countries that have planned economies; a policy that will contribute to the strengthening of the prestige of the western world, of the United Nations, the OAS, and the remaining international forums and organizations.

Messrs ministers, I would like to tell all of you that our task, the great task of rebuilding Brazil, is not impossible. It is true that we found chaos when we came. I can state Categorically that I inherited the worst political crisis in Brazilian history, the greatest foreign debt in the world, the greatest domestic debt, the highest inflation rate, the heaviest social debt, and the heaviest moral debt. I had to cope with the whirlwind of demands and desperation, frequently justified, as solutions proved to be impossible. I can now say that after several months of work, the situation is quite different. We have been able to put the public finances in order, and this is the greatest piece of news that we can give Brazil at this meeting today.

We have implemented a system based on austerity that is already yielding its fruits. Everyone is aware by now that the government is not a joy ride, it calls for joint efforts. I will give you an example: The months of January and February have witnessed something that has never happened before in Brazil. I repeat that we have managed to put our public finances in order, we have standardized the budgets, and the country now has a cash flow, when before it had none. We have not had a public deficit for the past 2 months, and we are quite sure there will not be one in March. We did not issue a single floating debt treasury bond; on the contrary, we reduced this debt by withdrawing from circulation bonds totaling 2.9 trillion cruzeiros. We have not issued a single cent in new money for the past 2 months to pay either debts or public expenditures, and the monetary base has grown by only 1.4 percent.

The budget is being complied with implicitly. I can once again tell the nation at large that the government's accounts are in order and will remain so to the end of this administration. This extraordinary effort is the result of the austerity, toil, earnestness, and ability of many of the men who hold key positions in the government and the economic sector. Interest rates have been reduced from 21 percent, the level at which we found them, to the 15 percent of today. This means that we have managed to save more than 30 trillion cruzeiros on the country's domestic public debt. We must spend within our budget, and we are not prepared, under any circumstances, to give up our ironclad control over the management of budgeted funds.

However, this will not stall tne growth of the GDP nor will it paralyze the government. Resources (?have been) budgeted for a great program this year, and we will carry it out by correctly applying these funds through hard work, action, effort and anything else that may be necessary. We will maintain our policy for economic growth. This year's target is still 5 to 6 percent growth in the GDP. The income of the Brazilian workers as a whole has increased 16 percent, partly because of the 15.5 percent increase in the number of workers, and partly because of the average 9.9-percent growth in the real value of salaries. Compared to other years, we continue to experience a high-rate of growth in employment, as was evident in January. Thus, we shall continue to fight unemployment.

In the northeastern, the Sao Vicente project for small farmers is improving the relationship between the government and the rural producer. Never before did anyone in government mention the poor sectors, but this is a government that talks about the poor and acts through the poor sectors for the poor sectors.

I must now mention the pressing challenges we are facing: inflation and supply. Inflation has not given way, but we are not going to give up either. Inflation is not going to defeat us. The supply problem is a serious problem. For the past 10 years Brazil has continued to produce 50 million tons of grain, not maintaining growth with the population. With the salary increase granted last year we increased the workers' purchasing power, and as a consequence they increased their food purchases. The drought that affected the central south area caused a drop in the supply of foodstuffs. Prices increased, and inflation once again defied us. But I assure Brazil that the agrarian reform, the irrigation projects, the agricultural programs, the establishment of strategic stocks will pull the country out of the crisis threatening it and do away with hunger. As a consequence, the government's great work will neither be incomplete nor weak, it will represent a commitment to impove the peoples living standards.

The country needs order, peace, a frank and open dialogue free of secondary interests and seeking feasible solutions. I urge businessmen and workers to give us a hand. We will not be able to fulfill impossible demands. The interests of everyone prevail over the interests of any one sector. We are fulfilling our duty and I am sure that this cabinet is going to give men a hand to offer progress, hope, and confidence to Brazil, and to the Brazilian people. I want to tell those who wear the national colors that this cabinet is going to work. Thank you very much. [applause]

SODRE ON ISRAELI ACTION, COLOMBIAN GUERRILLAS

PY201439 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 20 Feb 86

[Text] The Brazilian Government has condemned the Israeli invasion of southern Lebanon on 18 February. In the first official declaration since Abreau Sodre became foreign minister, the Foreign Ministry expressed concern over the repeated attacks on Lebanon. However, the official document does not mention Israel. Minister Abreu Sodre also said that the Brazilian Government hopes that the wishes of the Lebanese people can be met and favorable conditions can be found for the withdrawal of foreign troops.

Minister Abreu Sodre also released a note denying that Brazil agreed to help the Colombian Government fight the M-19 [19 April Movement]. Sodre emphasized that the Brazilian Government considers the strict adherence to noninterference in the internal affairs of other nations as the basic points of its foreign policy. He recalled that President Sarney himself has already said that the M-19 problem is exclusively a Colombian problem.

FEDERAL POLICE CHIEF FAVORS INTERPOL MEMBERSHIP

PY200250 Brasilia Domestic Service in Portuguese 2100 GMT 19 Feb 86

[Text] Romeu Tuma, director general of the Brazilian Federal Police Department, has defended the reinstatement of Brazil into Interpol. Interpol, International Police Organization, operates as a center for information and makes connections between policemen of different countries, helping them in their work. Brazil gave up its membership in Interpol more than 6 years ago because at that time the country did not need much international information to solve domestic crimes. Now the situation is different. The increase in drug trafficking and organized crime demands the joint action of the Brazilian police with those of other countries. For this reason, Tuma will propose to the justice minister the reinstatement of Brazil into Interpol.

[Begin Tuma recording] Yes. Our proposal is to rejoin Interpol. Of course, this decision does not depend on us. We will have to study the situation, and of course there will be those who will be against and those for the proposal. We will submit this proposal for the consideration of the minister. He will make the final decision. Of course today we can make direct contacts by telephone when there is an operation that demands it. In this manner we will be able to follow criminals who are important within organized crime, and even in the world of counterfeit money. Nowadays there are many reports on counterfeit dollars, and there are other problems which are difficult to solve. [end recording]

Within the next few days Tuma will meet in Brazilia with state chiefs of police who investigate these types of crimes, and with the (?border) police superintendent. He wants to outline new measures against drug trafficking, following reports that stolen cars are being traded for drugs in border areas.

'NOTHING NEW' EXPECTED FROM ABRAMS' VISIT

PA200416 Madrid EFE in Spanish 2232 GMT 19 Feb 86

[Excerpts] Caracas, 19 Feb (EFE) -- Venezuelan Foreign Minister Simon Alberto Consalvi asserted today that the visit that Elliott Abrams, assistant U.S. secretary of state, will pay to Venezuela tomorrow will bring nothing new concerning the position of the United States and the Contadora Group on Central America. Consalvi said that, in his opinion, the brief visit is aimed at "reviewing the situation in Central America and exchanging views about it."

"I don't think there will be anything original in these ideas, because we are already familiar with the position of the United States and of the Contadora and Support Groups," he said. Consalvi added that Abrams' visit to Caracas will be "very brief," will barely last "a few hours." Abrams will meet with Venezuelan President Jaime Lusinchi during the visit. It was noted in political circles that there is a possibility that Abrams will travel to Colombia following his stay in Venezuela.

ARUBA SEEKS AGREEMENT TO REACTIVATE OIL REFINERY

PA2003356 Caracas Television Service in Spanish 0000 GMT 19 Feb 86

[Excerpts] Henny Eman, minister president of the neighboring island of Aruba, has arrived in our country to discuss ways to reactivate the refinery in Aruba. During his official 2-day visit, Eman will hold meetings with President Jaime Lusinchi, Energy and Mines Minister Arturo Hernandez Grisanti, and other personalities, including former President Rafael Caldera, Reinaldo Leandro Mora, and Leonardo Ferrer.

[Begin recording] [Reporter Jose Gonzalo Moreno] Eman arrived in our country aboard Venezuelan Air Force Plane No 2540 in the company of Economy Minister Leo Berlinski and (Armando Mujale), secretary of the Council of Ministers of Aruba. In addition to expanding relations and reviewing economic cooperation between the two countries, the Aruban minister president seeks a solution for his country's Lago Refinery, whose agreement with Exxon and the government expires on 20 February.

[Eman] The Government of Aruba must make a decision as to what to do with the refinery. Before adopting a decision on such an important matter we think that it is absolutely necessary to talk with the Venezuelan authorities and the president of the Republic.

[Moreno] Foreign Minister Simon Alberto Consalvi described the visit as significant. It is the first visit to Venezuela by a minister president of Aruba since that island decided to take on its independent status.

[Consalvi] We have historically maintained cooperation at both the official and private enterprise levels, and we hope and are interested in expanding these ties and coordinating them better at this stage.

[Moreno] While the Aruban Government is trying to conclude some international agreements to reactivate its refinery, the people of that country are trying to double or triple their income from tourism.

This has been a report by Jose Gonzalo Moreno for "The News." [end recording]

JOINT COMMUNIQUE WITH TRINIDAD-TOBAGO ISSUED

PA150437 Caracas EL NACIONAL in Spanish 3 Feb 86 P 1-14

[Joint communique issued in Caracas on 2 February at the conclusion of the visit to Venezuela by Errol Mahabir, minister of external affairs of the Republic of Trinidad and Tobago]

[Text] The two foreign ministers, hoping to strengthen the solidarity and cooperation between the developing nations, particularly those of Latin America and the Caribbean, reaffirmed the need to bolster the economic and commercial ties between the two countries within the framework of fruitful cooperation and mutual benefits, and to effectively respond to the needs and aspirations of the people of Venezuela and Trinidad and Tobago.

Prompted by that purpose, the ministers agreed to accelerate the execution of economic, technical, scientific, and cultural programs and projects contained in the final minutes of the mixed committee of Venezuela and Trinidad-Tobago, which makes evident the firm will of the two governments to bolster bilateral relations. In that respect, they agreed to hold a meeting of the mixed committee in Port-of-Spain next June.

Earnestly concerned over the effects of the world economic crisis, as evidenced by the recession and the stagnation of the economies, by a growing protectionism, high unemployment rates, inflation, loss of value of national currencies, and heavy foreign debts, added to the drop in the price of oil in the international market, they agreed to explore the possibility of greater cooperation in energy and finance matters.

In view of the uncertainty of the current international oil situation, the two ministers agreed that it is in the interest of the oil exporting countries, whether or not members of OPEC, to preserve the stability of the prices of hydrocarbons, which greatly contribute to the economic welfare and development of their peoples.

The two foreign ministers examined the existing situation related to the fishing activities in the boundary areas of the two countries and agreed to adopt the necessary measures to ensure due compliance with their fishery agreement.

Consequently, the ministers held a preparatory meeting of the fishing committee, as provided in Article VIII of the fishery agreement signed by both governments on 26 November 1985, which will start functioning once the established requirements for its entering into effect are fulfilled. In addition, they agreed that a committee should begin work immediately in order to comply with the mandate of the agreement and make the respective recommendations.

The ministers also agreed on the creation of a continued communications network between the two coast guard corps to speed up the solution of whatever fishing problems may arise.

On the matter of drug trafficking, the foreign ministers voiced their concern over the continued increase of illegal drug trafficking and consumption, acknowledging that these activities are a real destabilizing calamity to human values and, consequently, a serious risk to the security and defense of their respective ways of life. They agreed to start the necessary studies for the negotiation and conclusion of an agreement on the matter, based on mutual cooperation and assistance and intended to determine and coordinate the most effective control mechanisms required to fight drug trafficking and thus, to comply with the UN General Assembly mandate.

On consular matters, conforming to the Vienna Convention on Consular Relations of 1963, the Venezuelan foreign minister expressed his government's approval for Trinidad and Tobago to open consular offices at Guiria in Sucre, and also at Tucupita, in the Amacuro Delta Federal Territory.

Likewise, considering the problems derived from trade across the borders of the two countries, the two foreign ministers considered it worthwhile to adopt measures to create a direct communications link between the competent organizations of the two states and to exchange information permanently on this type of activity.

On the matter of demarcation of marine and submarine areas, the foreign ministers expressed their satisfaction with the progress achieved by the binational negotiating team in its work to adopt equitable and satisfactory solutions for both parties.

The two foreign ministers, after analyzing the ever closer relations existing today between Venezuela and Trinidad and Tobago, and taking into consideration the concurrences on various problems, underlined the need to establish speedier and more fluid information channels to facilitate contact between the two governments. In that respect, they decided to take the necessary steps to create a mechanism for political consultations by the two foreign ministries on matters of common interest, within the framework of a permanent dialogue between neighboring nations historically linked by a fraternal friendship.

In evaluating the work of the mixed committee of the two countries the foreign ministers identified several areas of immediate cooperation, such as tourism, hotel construction, joint enterprises, industrial fairs and expositions, maritime transportation, and the dual tax agreement, and decide to set up small work groups for these areas, which will submit their recommendations prior to the next meeting of the mixed committee.

Referring to the cultural relations between the two countries, the ministers observed with satisfaction that the results obtained through multiple activities have contributed to a closer rapprochement between their peoples and to a greater mutual understanding and knowledge.

They expressed their willingness to continue efforts in support and promotion of the development of the cooperation and cultural exchange relations, convinced that such an intensification will help the growing friendship between the peoples and will strengthen their existing ties. Referring to the planned youth symphony orchestra of Trinidad and Tobago, the Venezuelan minister again offered to share Venezuela's national experience in that field, and the minister of Trinidad and Tobago in turn offered to assist the Venezuelan youth orchestra in learning to use its native instruments.

The foreign minister of Trinidad and Tobago expressed his gratitude to his Venezuelan counterpart for the friendly attention afforded to him and his retinue throughout the course of their visit to Venezuela.

POSTPONEMENT OF $950-MILLION PAYMENT REQUESTED

FL200330 Mexico City NOTIMEX in Spanish 2248 GMT 19 Feb 86

[Text] Mexico City, 19 Feb (NOTIMEX) -- Mexico will request a committee of 13 international banks negotiating its foreign debt to postpone a payment of $950 million that is due in April. A spokesman for the banking committee said here this morning that the situation in Mexico is understandable due to the dramatic fall of oil prices, which is expected to lower the 1986 income by approximately $5 billion.

The $950-million debt is part of the $3-billion package the Mexican Government received in 1983, of which $1.25 billion was renegotiated in March 1985. The first $300-million payment was made promptly, but after the 19 September earthquake the Mexican Government requested and received a 6-month extension from the creditor banks. According to the spokesman, Mexico has not yet told its creditors what it needs to meet its commitments with the world banks.

PEMEX TEMPORARILY RESCHEDULES DEBT PAYMENTS

FL151610 Mexico City NOTIMEX in Spanish 1515 GMT 15 Feb 86

[Excerpts] Mexico City, 15 Feb (NOTIMEX) -- Pemex has decided to temporarily reschedule its payment programs to its providers and creditors of goods and services, which implies extending expiration dates by an average of 30 days. During a meeting held by leaders of the Confederation of Industrial Chambers of the National Chamber of Construction Industry, Pemex Director Mario Ramon Beteta and officials from related providers and creditors explained to providers and creditors what the international factors are that caused the adoption of this measure.

In a communique, Beteta explained that due to circumstances of the international crude oil market it has become necessary to adjust its income and expenditures to remain within the financial limits established by the federal government. This, he said, required the rescheduling of payments. In this way, the February and March payments will each be a month late, Beteta told creditors of goods and services that were rescheduled. Normal scheduling will be reestablished during the second half of the year.

During the meeting, Confederation of Industrial Chambers President Silvestre Fernandez, who agreed with Beteta that the rescheduling is not a moratorium, said falling oil prices require adjustments and reprogramming of economic plans. Fernandez added that Pemex is not an isolated entity and that the decisions adopted should guarantee continued relations with its providers.

OFFICIALS WARN NATION OF FINANCIAL DISASTER

FL201458 Bonaire Trans World Radio in English 1130 GMT 20 Feb 86

[Text] Mexican officials have begun a process of warning the nation that the dramatic drop in world oil prices could bring about a financial disaster for the country. Last week Mexico was forced to lower oil prices to an average of $14.75 a barrel to remain competitive in world markets, but that will cut expected oil revenues to $8 billion. That is far less than the $10 to $12 billion needed just to service the nation's $100-billion foreign debt.

DE LA MADRID MEETS U.S. AMBASSADOR SHLAUDEMANN

PA201922 Mexico City XHDF Television Network in Spanish 1955 GMT 19 Feb 86

[Text] President Miguel de la Madrid this morning met with U.S. Ambassador Harry Shlaudemann, President Ronald Reagan's representative for Central American affairs. The private meeting with Shlaudemann was the result of the meeting held by eight Latin American foreign ministers and U.S. Secretary of State George Shultz in Washington 9 days ago.

President De la Madrid stressed the importance of achieving a negotiated peace on the basis of a political dialogue that will adequately satisfy the legitimate interests of all parties involved in the Central American situation. The president particularly emphasized the importance of creating a favorable political atmosphere for negotiations. The first positive step would be a halt to the hostilities in Central America, President Miguel de la Madrid said.

Foreign Secretary Bernardo Sepulveda and U.S. Ambassador to Mexico John Gavin were present at the meeting. Shortly before leaving, Ambassador Shlaudemann said at the international airport that military intervention is not the way to peace in Central America. He added that the meeting with President De la Madrid was very interesting and constructive.

NAVY ANNOUNCES OPERATIONS IN BAJA, CAMPECHE

PA210406 Mexico City UNOMASUNO in Spanish 19 Feb 86 p 9

[Excerpt] Admiral Miguel Angel Gomez Ortega, Mexican secretary of the Navy, has informed President Miguel de la Madrid that as of 1 March the "Alert Operations" [Operaciones Alerta] will be carried out simultaneously on the island of Margarita, southern Baja California, and in San Luis Carpizo, Campeche. The "Alert Operations" are part of the Navy's tactical training program.

Also, the secretary of the Navy explained that 9 surface units, 3 sea and air units, 12 marine companies, and 2 other naval units will participate in these operations. Gomez Ortega added that the "Alert Operations" are aimed at increasing the efficiency of the Navy on both coasts.

BRIEFS

FOREIGN INVESTMENT -- Foreign investment in Mexico totalled more than $13 billion, the Commerce and Industrial Development Secretariat revealed. The United States is the largest investor, having invested $8,513.4 billion, or 66 percent of the total. It is followed by the FRG with 8.7 percent, Japan with 6.3 percent, Switzerland, the UK, Spain, and France with 5, 3.1, 2.9, and 1.8 respectively, while Sweden, Canada, the Netherlands, Italy, and others had 1.8, 1.5, 0.3, and 1.5 percent of the total invested. The manufacturing sector was the leading area of investment, with 88.7 percent of the activity being concentrated in that area, 11 percent in commerce and services, and 0.3 percent invested in the agricultural, livestock, and mining sectors. The report points out that 6,625 concerns in Mexico involve foreign capital, of which 2,756 have mostly foreign capital, 3,322 are 25- to 49-percent foreign owned, and 547 are less than 24.9-percent foreign owned. [Summary] [Mexico City EL DIA in Spanish 27 Jan 86 p 8 PA]

AUTHORITIES DENY POSSIBLE DUVALIER ASYLUM

PA201557 Paris AFP in Spanish 1535 GMT 20 Feb 86

[Text] Panama City, 20 Feb (AFP) -- Panamanian authorities today denied the possibility that former Haitian President Jean-Claude Duvalier will obtain political asylum in this nation, as rumored by the local press. Nevertheless, radio sources today said that former U.S. presidential adviser Richard Allen arrived in Panama over the weekend to meet with President Eric Delvalle and to sound out the official position on the possible arrival of Duvalier.

According to a report in the progoverment newspaper MATUTINO, Allen is in the country at the invitation of the Republican Party -- whose president is Delvalle -- to speak to the Chamber of Commerce on U.S. investments and the international economic outlook. In recent years, Panama has taken in several famous exiles such as the shah of Iran, former Argentine President Juan Domingo Peron, two former Venezuelan presidents, members of the Basque Fatherland and Liberty of Spain, and many Chilean and Cuban refugees. Nevertheless, an official spokesman who asked to remain anonymous denied that Duvalier's asylum is being negotiated. Meanwhile, bank circles speculated on the possibility that the Duvalier family will make million-dollar deposits in Panamanian banks, but this has not been confirmed by authorized sources. After Duvalier's fall, Haitian refugees held demonstrations in front of their country's embassy.

U.S. CONGRESSMAN'S IDEA ON CANAL STUDY REJECTED

PA192202 Panama City CRITICA in Spanish 19 Feb 86 p 4

["Firing Line" column by Jose Franco: "Public Charge: The Canal Must Not Pay for Canal Alternatives Study"]

[Text] Panamanian Government officials have told us that in the United States, Congressman Mike Lowry is promoting the idea that the 6 million balboas that the United States must pay as its share for the studies on alternatives for the Panama Canal be paid from Panama Canal funds. One of these officials angrily stressed: "In other words, the share of the United States, a rich and powerful country, would be paid by Panama from the surplus that it would receive from canal operations."

Making a brief account, for our readers' benefit, the Governments of the United States, Japan, and Panama agreed to finance, in two equal parts, the cost of a feasibility study for alternatives to the canal, a study whose cost is estimated at approximately 20 million balboas. Based on this agreement (which we question, because we feel that the total cost of this study should be shared by the United States and Japan, rich countries which would receive the biggest benefit from it), each country would give 6 million balboas. However, according to Congressman Lowry, the U.S. share should not be taken out of U.S. Treasury funds but from funds received from the tolls paid by ships that transit the Panama Canal. Although the Panamanian officials assured us that the government is aware of the situation and will take pertinent steps to prevent such an absurd action, we believe it is our duty to make this matter public. It is necessary, we believe, for the Panamanian Government to take a stronger position through diplomatic channels (and others if necessary, even the legislative chamber) to stop such an attempt. The country's conscientious forces must join efforts to counter individuals who, like Lowry, believe that Panama is living in the past.

COSTA RICA

DEPUTIES QUESTION VISIT OF U.S. ARMY ENGINEERS

PA201857 San Jose Radio Reloj in Spanish 1200 GMT 20 Feb 86

[Text] Popular Vanguard Party [PVP] Deputies Ferreto Segura and Menendez Chavez have submitted a request to the Legislative Assembly for the interpellation of Foreign Minister Carlos Jose Gutierrez. They want the foreign minister to appear before the Legislative Assembly to explain why the arrival of 180 U.S. military engineers has been authorized without the permission of the deputies. The PVP deputies are opposed to the presence of the U.S. military engineers because they feel that they constitute a provocation against the Nicaraguan regime at a time when Costa Rica is normalizing its diplomatic relations with our northern neighbors.

Engineers Promised Protection

PA202236 San Jose Radio Impacto in Spanish 1830 GMT 20 Feb 86

[Text] Public Security Minister Benjamin Piza said that the Security Ministry will give protection to a group of approximately 180 U.S. Army engineers who will be arriving in Costa Rica at the end of the month. Some of them will arrive in a few days to set up camps and working centers. The Army engineers will build a bridge over the Hatillo Viejo River, in Puntarenas Province. They will also repair other bridges in other parts of the country. The U.S. Army personnel will not carry any arms. Therefore, their protection is left to the Security Ministry, Minister Piza said.

TSE OFFICIALLY DECLARES ARIAS NEW PRESIDENT

PA201224 San Jose Radio Impacto in Spanish 1830 GMT 19 Feb 86

[Text] The Supreme Electoral Tribunal [TSE] has officially declared Oscar Arias Sanchez as the new president of the Republic. The TSE also declared Jorge Manuel Dengo as first vice president and Victoria Garron de Doryan as second vice president.

Dr Oscar Arias will assume command of the presidency on 8 May from President Luis Alberto Monge to govern the country until 8 May 1990. At this morning's ceremony, the next first lady, Margarita Penon de Arias, was presented the gold pen with which the magistrates signed the credentials of the president and vice presidents from TSE President Franciso Chavez Meza.

Upon receiving his credentials, president-elect Oscar Arias said:

[Begin recording] I want to share with you gentlemen, magistrates, members of the press, and very dear freinds who have come this morning the pride we should all feel as Costa Ricans over a ceremony so simple on one hand, but on the other so full of emotion and significance. It represents Costa Rican democracy. May God help us so that the virtue of freely electing our leaders, the result of the efforts of many generations, will be enjoyed by our children and grandchildren.

Of course, today is a very special day for me. I feel very happy and fully aware of my responsibility to govern my country during such a difficult time. For this reason, I again repeat the prayer of Marcus Aurelius, asking God to give me the serenity to accept the things that I cannot change, courage to change the things that I can change, and the wisdom to know the difference.

You can rest assured that in every one of my actions and those of the companeros who will be at my side such as Jorge Manuel Dengo and Victoria Garron, each of our actions will entail the search for what is best for our country and best for our people. Thank you very much. [end recording]

Arias Sanchez later told the national and international press present at the TSE that [words indistinct] is a challenge for Costa Rica and we must demonstrate that our democracy is more efficient than a totalitarian system. He also said that he hopes Social Christian Unity leader Rafael Angel Calderon Fournier will meet with him as part of the essence of democracy.

1985 GROSS NATIONAL PRODUCT INCREASED SLIGHTLY

PA202200 San Jose LA NACION in Spanish 11 Feb 86 p A

[Text] The gross national product increased 2.2 percent in 1985, according to the Central Bank preliminary estimates, which, if confirmed, will refute predictions that production and services would be approximately 1 percent less than in 1984.

Central Bank President Eduardo Lizano was the first to release this figure, which Planning Minister Juan Manuel Villasuso confirmed yesterday. Lizano said that last year the gross national product had fluctuated and at one time it was 2 percent below estimates, but that finally it picked up to the current favorable percentage. "It will be close to 2 percent over last year's," said.

For Minister Villasuso, the latest reports, which are not based on speculation but on real facts, confirms the Planning Ministry's estimates, which announced in November last year that the gross national product would increase approximately 1 to 3 percent. The truth is that in 1985, the economic situation was not as active as it was in 1984. As a matter of fact, in 1984 production and services increased 7.5 percent, according to the latest Central Bank figures. In summary, although the gross national product did not drop, its increase was slow.

Minister Villasuso blames the low gross national product growth rate on the following three factors: the decrease in banana production and export, the drop of commercial activities with Central American countries and less bank credit in 1985 than in 1984. Nevertheless, Villasuso believed that last year the country's economic situation was satisfactory "in comparison to the rest of Latin American countries, whose average growth was 1 percent," according to figures released by the Economic Commission for Latin America, ECLA.

When asked if he believed that the difference between 1985 and 1984 was too great, Villasuso agreed that if they had had more funds from the banks "much more could have been done." However, he added that "it would have affected prices and imports," it would have meant more than 10 percent inflation, which we did have in 1985, and also a higher imbalance in the balance of payments, which shows a deficit of approximately $170 million.

"We have managed to maintain a balance between production growth and price stability," Villasuso said, immediately referring to Brazil, which in 1985 reported a 7 percent gross national product increase, but also 200 percent inflation.

The original estimates on the gross national product for 1985 were: the Central Bank, 1 percent; the IMF, 1.1 percent; the Economic and Legal Consultants, Counsel, 0.3 percent; and the Economic and Financing Consultants, CEFSA, 0.7 percent.

DUARTE ON ALLEGED CIVILIAN DESTABILIZATION

PA202010 San Salvador Television Educativa in Spanish 1230 GMT 20 Feb 86

[Text] President Jose Napoleon Duarte has said he knows about the ciivilians who tried to organize a coup d'etat. During an unscheduled press conference on Tuesday, President Duarte said that those promoting a coup are discrediting themselves. He affirmed that his government will continue working to strengthen democracy.

[Begin Duarte recording] Usually, when there is a coupist movement people begin approaching officers with flattery. Yesterday, I received a report that some civilians wanted to talk with someone in the military to generate this type of destablization. However, thus far the Armed Forces remain firm and quiet. They know what we are doing. They know that this is good for the country, that it makes the economy and democracy stable, and that it gives the Armed Forces the basis for managing the nation's security process in a professional manner.

Your question could have implications if I had responded that I am going to adopt actions against those persons who are thinking about destabilizing the country. What I am currently doing is informing the people that this situation exists. My primary task is to give this message to the people, not because of my position of authority or of strength, but because of the awareness factor so that the people know there are those who don't care about democracy and who prefer to destabilize the country and to carry out a coup d'etat to destroy it. This would mean the loss of economic and military aid. This would weaken the Armed Forces and, of course, help the extreme left. It is interesting to see that the extreme right is looking for a coup that would help the extreme left. Think about it. Do you think that if the people noticed a popular insurrection they would support the right? I do not think so.

You can imagine what the right is sowing with the campaign it is waging. My work is to inform the people and convince them so that an aware people cannot be fooled. If the people are not fooled and the Armed Forces cannot be fooled, then the gentlemen spreading flattery and calling for a coup d'etat will not progress because no one will listen to them, and they will be even further discredited. [end recording]

The president also discussed the murder of two agrarian reform employees and that of the president of the Salvadoran Institute of Agrarian Transformation. He also said that a commission has been assigned to review Salvadoran legislation because in cases such as these the masterminds behind the crimes are found not guilty.

DUARTE ADDRESSES NATION ON ECONOMIC ISSUES

PA200407 San Salvador Domestic Service in Spanish 0300 GMT 19 Feb 86

[Address to the nation by President Jose Napoleon Duarte on 18 February; place not given -- live or recorded]

[Excerpts] Salvadoran people, good evening. I have come before you again to continue our talks about the process of economic reforms and the measures we are adopting. For that reason, I would like to talk to you for a moment about the problem of oil prices. I would also like to talk to you to establish the rules of the games and the conditions for staple products during the next harvest.

On this occasion, as you will see, I will not respond to any of the insults and offenses against me that you may have heard in some news media, or to some groups that have been fostering instability in the country.

I believe that it is more important for the people to continue learning this process so that we can become used to it and slowly start to resolve the problems that may crop up. I believe that you have learned that today we... [changes thought] the Legislative Assembly has approved the amendments we introduced on changes to consumption taxes which, no doubt, will resolve some of the problems brought up by some of the country's industries.

New, let us talk for a moment about oil matters. Some people have remarked that the international price of oil has dropped. That is true. Here are the charts on the international price of Great Britain's oil. Worldwide, there has been a drop of prices on the international market caused by a surplus in the supply of crude oil from countries that do not belong to OPEC, such as the North Sea countries, the Soviet Union, Mexico, or Alaska. [as heard] An increase in supply has caused prices to drop.

This is exactly what happened with the oil we purchase here in El Salvador. We purchase two types of crude: Isthmian and Lago Treco Reton crudes. Here are the charts for the Isthmian and Lago Treco Reton crudes. As you can see, when compared with the North Sea oil chart, which shows a drop in prices, the chart for the other crudes are more or less horizontal. Therefore, the prices we have to pay in El Salvador are those of the Isthmian and Lago Treco Reton crudes. Some may ask, why don't we purchase Arabian or North Sea crudes? The problem is that we have signed a contract with Mexico and Venezuela guaranteeing us a supply of oil. This contract was signed in San Jose some years ago, and it is still in force. This allows us to understand that we have the possibility of maintaining a permanent supply of oil, and that Mexico and Venezuela also give us some benefits.

For example, 30 percent of the money we pay to Mexico and Venezuela for oil purchases goes into a fund which in turn is later used to lend money to the countries which subscribed to the San Jose Pact. This benefits our countries. We would not have this benefit if we had to purchase oil from other sources. The more important thing is the guarantees that are offered. If at any given time we had to purchase from Saudi Arabia, you can image the distance from Saudi Arabia to El Salvador. However, the distance from Mexico and Venezuela are relatively short. Therefore, this allows us to understand why we must purchase Lago Treco and Isthmian crudes.

Regarding for the types of oil we are purchasing, we are purchasing pure Isthmian, that is, crude to which nothing has been added. However, we inject butane, naptha, [word indistinct], and gas oil into some barrels of Lago Treco crude we purchase. These injections, then, fill... [changes thought] the Mexican crude plus the reconstructed Venezuelan crude together fill our consumption needs, and this is what is important.

Here, there is a imbalance between the supply and demand for hydrocarbon fuels. To understand the problem, then, we see that we can produce oil products at El Salvador's Petroleum Refinery [RASA] plant, but our consumption is higher. For example, you can see that while we can produce 6.87 [unit not specified] of butane gas used in homes, we need 8.18, which means a 1.31 deficit. Regarding gasoline, while we produce 24.36, we need 27.83, which means a 3.47 deficit. The same thing happens with kerosene: While we produce 2.99, we need 3.68, which means a 0.69 deficit. This also applies to diesel: While we can produce 30.16, we need 34.31, which means a 4.15 deficit. Therefore, in order to balance this situation, we must either use products shipped here that have already been processed, or use products resulting from the injections into the barrels of crude.

In fact, the RASA plant was designed to handle reconstructed oil. Therefore, this is problem we are now facing. With the surplus in fuel oil, the RASA plant cannot separate these products in order to increase its diesel and gasoline production.

So, we must have reconstructed products because of the nature of the plant we have. We must purchase finished products.

It is at this time and this date that we are sure that the price of the mixture or cocktail of light and heavy oil is guaranteed. It could get lower in the future, yet it could climb at any time. Consequently, we will now consider these prices and try to spread 832.25 million colones for some changes in the price structures of refined oil products. Here you see a chart that represents the distribution. We have carried out a study in an effort to lower the prices of some oil products. We have worked on this through the economic committee. We have determined that, under these conditions and considering these prices, we can make the following price changes.

The current price of high-octane gasoline is 9.70 colones. We will lower this price by 30 centavos, down to 9.40 colones. Low-octane gasoline is currently sold at 8.90 colones. As of tomorrow, its price will be 8 colones. So this means that gasoline prices will change from 9.70 down to 9.40 and from 8.90 down to 8 colones as of tomorrow. In addition to this, the price for kerosene will remain at 5.70 colones per gallon. The price of the (?zero turbo) oil will remain at 8.85 colones per gallon. As I offered to do, we will reduce the price of diesel oil from 6.95 colones down to 5.95 colones per gallon, or a 1 colon reduction. We will also lower the price of the fuel oil from 3.65 colones down to 3.00 colones per gallon. The price of the low pressure gas [LPG] will remain at 83 centavos per pound. As you can see on this chart, the difference between current and new prices appears on this line. For instance, in the case of the high-octane gasoline, the difference is 30 centavos. However, we must multiply those 30 centavos by the number of gallons of high-octan gasoline that will be consumed, that is 30,867,018, to calculate the amount that we must spread.

Here we must touch upon the special subsidy for collective vehicles. We have already given the buses a special price for their purchases of diesel oil. This price is 1.70 colones and will not be changed. At this time, however, we have included the special subsidy for taxis and microbuses. Not until we have resolved the problem of handling these subsidies, all taxis and microbuses are registered, and the proper procedure is established, shall this change of fuel prices be in force. So, my dear taxi driver friends, particularly those who met with me last week, I can now report to you that we have studied — as I promised to you -- an important price reduction for you to resolve your problems regarding this matter. I can tell you that the Economy Ministry has received instructions from the economic committee to establish the mechanisms for the implementation of the price reduction that we have managed. Consequently, we will lower the fuel price for taxis and microbuses. The current price of 9.70 colones per gallon will be lowered to 7.50 colones per gallon. The difference is 2.2 colones per gallon. This , multiplied by 5,000,000 colones that we will earmark for taxis and microbuses, will mean an additional subsidy of 11, 094,560 colones.

The difference in price for regular gas is 90 centavos. We have a consumption of 11,970,000 gallons. This means a subsidy of 10,773,000 colones. The next subsidy to be considered is that related to diesel oil. We have lowered its price by 1 colon. We consume 38,559,486 gallons. This means a 38-million colones subsidy. The price of the fuel oil will be reduced by 65 centavos per gallon. Its consumption is 34,650,000 gallons. This means a subsidy of 22 million colones. All these price reductions amount to 92 million colones.

In addition, as you have observed on the chart here, we must pay for a fuel oil deficit because we receive it as part of the crude oil. This fuel oil comes here as part of the light and heavy crude oils. Then fuel oil is separated here. Regrettably, we do not consume all the fuel oil we produce. We spend money to bring it here and refine it, and then we have to sell it abroad again. Regrettably, fuel oil prices are extremely low.

Currently, its price oscillates between 9 and 11 colones per barrel. I beg your pardon, $9 and $11 per barrel. As you may have observed in this chart, the difference between our purchase price of $30 and $35 and our sale price of $9 is enormous. This difference is the one that I write here, on the line that says loss for export of fuel oil. The figure is 40,293,916 barrels [figure as heard]. One of the things that we must do in the country is to seek ways to reduce this loss in fuel oil because it is gigantic. We could reduce our consumption if we could reduce the fuel oil import. Regrettably, this is part of the type of crude oil that we must import due to the type of refinery that we have. So, this is part of the refining process.

We could produce this quantity if we imported already refined products, but this would call for a decision with the RASA to see how we could manage the situation. We have made an adjustment to give gas station owners a small additional margin. At a meeting with the economic committee, they stated their points of view, and we concluded that it would be logical to give them an additional subsidy or rather an additional price that totalled 3.6 million colones.

Adding up all of these quantities, the total reduction of the price to the consumer is 135.5 million colones. Here you will find a discrepancy between 135.5 million and the available 132.25 million, which is a difference of 3 million. However, we believe that it would be advantageous to run the risk of the 3 million because we are sure that for the time being prices are going to drop a little more, which will allow us to cover this difference.

It must be understood that at any time prices could start to rise, and this is why we must establish a cushion, we must create some protection and not run the risk of being greatly affected by increased prices in the future. Therefore, new prices have been established, and, as of tomorrow, I repeat, super gasoline will be sold at 9.40 and regular gasoline at 8 colones. For the cement factories, for example, fuel prices will be dropped from 3.66 to 3 colones per gallon.

I must inform taxi and microbus drivers that the Economy Ministry will initiate the process of classifying and controlling taxies and microbuses in order to prevent mistakes. This will not be able to begin tomorrow because there will be a process to resolve the mechanical part of the problem, and until this is solved, classified, and a method to manage this situation has been found, this system will not be applied. I know that the taxi and microbus drivers understand the efforts we are making to help them and that they will help us obtain the necessary information as soon as possible.

Now let us discuss a second topic. The second topic is the rules of the game, the prices, the guarantees, and credits for basic grain. This is important because the peasants need to know what is going to happen to basic grain, what the prices will be, and what credits will be granted, so that they can begin to prepare, because the sowing season begins as soon as rains begin, and we must be prepared.

These prices are usually established by the middle of March, but on this occasion they are already prepared, and to calm the peasants, to show them that we are thinking of them, we have already prepared the basic rules of the game so that they can prepare their lands and plant their corn. In regard to basic grain, the cost per quintal, according to the new prices in the country, will be 37 colones for corn, 100 colones for beans, 37 for rice, and 27 for millet.

The first rule of the game is credit on equipment on products. How much credit will we give per manzana? For corn we will give 1,450 colones of credit on equipment or products per manzana. I will repeat, for corn 1,450 colones per manzana; for beans, 1,650 colones per manzana; for rice, 2,410 colones per manzana; for millet, 1,270 colones per manzana; and for the combination of corn and millet, 1,575 colones per manzana.

I believe this is an important measure that means an important increase in lines of credit for each product, and covers all of the costs calculated according to the model. Therefore, I repeat, corn, 1,450; beans, 1,650; rice, 2,410, millet, 1,270; and combination of corn and millet, 1,575 colones.

Another important point the farmers must be aware of, especially the basic grain producers, is how much the Institute of Supply Regulations [IRA] will pay at its plants for the different products. Here are the prices of the products the IRA purchases, so that farmers will know what to expect.

For corn, the guaranteed price the IRA will pay for the volume it normally purchases will be 45 colones. This means that what costs the farmers a maximum of 37 colones will be paid at 45 colones, a profit of 22 percent for the farmer. For beans, the IRA will pay 120 colones per quintal. We calculate production costs at 100 colones, which also indicates a price differential of approximately 20 percent. The same happens with rice. Here, I must explain that we are referring to the guaranteed price of unhusked rice, and the costs referred to are also for unhusked rice. The guaranteed price for unhusked rice will be 46 colones per quintal. Cost per quintal is 37 colones. Consequently, producers make a 20 percent profit.

If to these costs we add the IRA prices for it to be able to operate and subsidize, we will arrive at the IRA costs. The institute spends 10 additional colones. Given a guaranteed price of 45 colones, the IRA cost will be 55. The same goes for beans. Its guaranteed price is 120, its additional cost is 10, and, therefore, the IRA's cost of beans will be 130 colones per quintal. Regarding unhusked rice, its price is 46 colones per quintal. But the IRA must husk it. Consequently, the cost of this operation plus the IRA expenses makes the cost rise from 46 colones to 86 colones per quintal. Having determined the IRA costs, we will now see prices for the public.

May I say now that I have guaranteed basic prices for the current crop for 6 months. I refer here to the new prices for this year's crops. The harvest will take place at the end of the year or the beginning of the coming year, depending on the type of cultivation. But the crops planted by March or April will be harvested by midyear or the end of it. The guaranteed prices for consumers will be these:

Corn, 40 colones per quintal. This means that the IRA will have a cost of 55 colones per quintal and will sell it for 40 colones. This means an IRA subsidy of 15 colones per quintal. Similarly, the IRA will have a cost of 130 colones per quintal of beans, and it will be sold for 100 colones per quintal. This means a subsidy of 30 colones per quintal. The cost of the quintal of husked rice for the IRA is 86 colones per quintal. It will sell it for 65 colones. This means a subsidy of 26 [as heard] colones per quintal. These are then the basic prices for products like corn, beans, rice, millet, and the mixture of corn and millet. I will repeat the figures for producers. Their IRA price is 45 colones per quintal. Price for the consumers will be 40 colones. IRA credit for beans is 1,650 colones per manzana. IRA's guaranteed purchase price is 120 colones per quintal, and the sale price for the public will be 100 colones. As for rice, IRA credit will be 2,410 colones, IRA purchase price will be 46 colones for unhusked rice, and the IRA sale price for the public will be 65 colones per quintal of husked rice.

Let's now see the prices for the fertilizers to be offered by the Agricultural-Livestock Development Bank [BFA] for the 1986-1987 crop.

All the prices that I will mention here will be in colones per 100 kg bags, both of ammonium sulfate and the 1620-0 formula. According to the decision by the BFA, regarding the ammonium sulfate we will establish five new ways of commercializing this product.

In the first place, this product has traditionally been sold in henequen bags. The development division will sell the product at 72 colones per bag, while the bank division will sell it at 74 colones per bag. The second alternative -- and this is one of the new ideas that the BFA has introduced to benefit farmers -- is to sell the product at 68 colones per bag from the development division, while the bank division will sell it at 70 colones per bag. If the farmer is careful and returns the empty bag in good condition to the BFA, the price will be 66 colones from the development division and 68 colones from the banking division. This means the BFA will accept the emtpy bags returned in good condition at the rate of 6 colones per bag. The fourth alternative is the sale in bulk at the BFA warehouses. The bank has built four large warehouses throughout the country. In each of these warehouses, the BFA will have ammonium sulfate in bulk for the farmers. The price will be 60 colones at the development division and 62 colones at the banking division. Lastly, the BFA will offer ammonium sulfate in bulk in the port area of either Acajutla or La Union, as the case may be. The price for those who purchase in bulk in port will be 48 colones per bag from the development division and 50 colones at the banking division. As you can see, the difference between the traditional and the bulk systems is considerable. If we account for the fact that this year a bag of ammonium sulfate costs between 42 and 45 colones, the price of it sold in bulk and at the port will be about the same.

The BFA also offers to cooperatives and those who use ammonium sulfate in considerable quantities a price of 48 colones per bag in bulk plus freight from the port to the place of delivery. So the cooperatives will be able to purchase ammonium sulfate at 48 colones a bag. For the formula 1620-0, a similar commercialization system will be used. The usual price will be 123 colones from the development division and 125 colones from the banking division. This is for 100-kg bags. If the product is sold in plastic bags, the price will be 119 colones from the development division and 121 from the banking division. If the farmer returns the empty bag, he will be credited at a rate of 6 colones, then the price per bag will be 117 and 119 colones per 100-kg bag of this product. If sold in bulk at the BFA warehouses, prices will be 93 colones per bag from the development division and 95 colones at the banking division. Finally, if sold in bulk in the port areas, the price will be 85 colones per bag at the development division and 87 colones at the banking division. So the cooperatives are being offered a price of 85 colones per bag, plus freight, if they so desire. These, then, are the new prices for the sale of fertilizers in an effort to assist the peasants by reducing their indirect costs as related to the handling of fertilizers in the country. I feel this new commercialization formula presented by the BFA is very important and makes it more possible for the farmers' profits to be greater than those calculated for these unit costs based on the traditional system. Any difference they get in the type of purchase they make will be good for them because they will have these prices guaranteed. I only want to make a brief explanation regarding coffee prices for the 1985-1986 crop. A base price has been established. If the average international sale price of Salvadoran coffee is between $185 and $200, the National Coffee Institute [INCAFE] guarantees a price of 400 colones of the standard (?variety), 405 colones for the medium-altitude coffee, and 410 colones for the high-altitude coffee. I repeat, the terms for this guaranteed price are that the average sale price of coffee varies between $185 and $200 per quintal. As for unhusked coffee, you know that the price of each 120-lb bag of unhusked coffee will be 474, 479, and 484 colones at the coffee-processing plants. For coffee in other stages of processing, prices for 200-lb bags will be 400, 395, and 395 [as heard] colones, according to its yield. These are the rules of the game for the sale of coffee.

Any price raise above $200 will be applied to an additional bonus. This answers some questions posed by some coffee growers who were concerned over the manner in which we would handle this. I also want to mention that this price of 400 colones per quintal is tax free, this is to say, all discounts have been made and this is the amount that you will receive per bag of coffee. So this is the explanation for the coffee havest prices.

HONDURAS

BORDER DEMARCATION COMMISSION ESTABLISHED

PA202014 Tegucigalpa LA TRIBUNA in Spanish 19 Feb 86 p 7

[Agreement between the Republics of El Salvador and Honduras to create a special demarcation commission of the El Salvador-Honduras border, confirming the general peace treaty of 30 October 1980.]

[Text] The governments of El Salvador and Honduras represented by Foreign Ministers Rodolfo Antonio Castillo and Carlos Lopez Contreras, respectively, have agreed to sign the following convention:

Whereas: Article 16 of the General Peace Treaty, signed in Lima, Peru, on 30 October 1980, by representatives of El Salvador and Honduras, outlined seven sections of the border between the two countries;

Whereas: Article 18, Paragraph One of said General Peace Treaty named the Mixed Boundaries Commission to demarcate the border already established in Article 16 of the same treaty and as, besides, Article 19 of the above-mentioned international instrument fixed a term of 5 years for such objective, which expired on 10 December 1985;

Whereas: It was not possible for the Mixed Boundaries Commission to complete within the established term the demarcation of the border in the seven outlined sections, and as technical and material work has already been performed in Section 7, which is approximately 72 kms from the Paso de Unire, following the confluence of the Goascoran and Guajiniquil Rivers, to the point known as Los Amates, over the first of these rivers;

Whereas: The El Salvador-Honduras Mixed Boundaries Commission, according to the minutes of its meetings of 23,24 July and 4 October 1985, witnessed the two states' willingness to create an intergovernmental organization to continue the demarcation work of the already outlined border areas between the two countries, described in Article 16 of the General Peace Treaty;

Whereas: The demarcation is a technical execution operation which established on the terrain the terms of an already established outline, agree:

Article 1: To create an intergovernment organization named "Special El Salvador-Honduras Demarcation Commission", which will have the full cooperation of the government institutions of each state, and, in particular, of their respective national geographic institutes.

Article 2: The functions of the special commission to which the previous article refers, will be the same which, in demarcation matters, were assigned to the Mixed Boundaries Commission in the General Peace Treaty between El Salvador and Honduras, particularly as stipulated in Articles 24 and 25, also using the technical norms approved for their work, by the Mixed Boundaries Commission of El Salvador-Honduras for the 1981-1985 period.

Article 3: Within the 10 days following the entry into effect of the present convention, each government will appoint a delegation made up of four members to integrate the "EL Salvador-Honduras Special Demarcation Commission," to be notified by one government to the other, on the same day of their appointment. Likewise, each government will name the support personnel deemed necessary.

Article 4: The expenses required for the performance of operations of the El Salvador-Honduras Special Demarcation Commission, shall be equally shared by both governments. Each state will pay the salaries, expense allowances, and other expenditures of the personnel of its own national delegation. The two governments will provide for the safety of the members of the El Salvador-Honduras Special Demarcation Commission and its auxiliary personnel in the performance of the tasks entrusted to them, for which they will be provided with the necessary escort. The members of the commission will enjoy the status of diplomats and will have the right to immunities and privileges which, according to international law, correspond to diplomatic agents.

Article 5: The El Salvador-Honduras Special Demarcation Commission will prepare the minutes of the agreements to be adopted and the actions to be taken, making two originals for each party.

Article 6: The present convention does not modify in any way the provisions contained in the General Peace Treaty, signed between El Salvador and Honduras in Lima, Peru, on 30 October 1980.

Article 7: The validity of the present convention and the duration of the Special Commission established therein shall be extended to the technical and material completion of the demarcation of the seven border sections already outlined to which Article 16 of the General Peace Treaty refers, mentioned in the previous article.

Article 8: The present convention will enter into effect on the date of its signing.

San Salvador, on the eleventh day of the month of February of ninenteen eighty-six.

For the government of the Republic of El Salvador, Rodolfo Antonio Castillo Claramount

For the government of the Republic of Honduras, Carlos Lopez Contreras

ARMED FORCES CHIEF REGALADO PROMOTED TO GENERAL

PA200330 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 19 Feb 86

[Excerpt] Colonel Humberto Regalado Hernandez, current chief of the Honduran Armed Forces, was promoted to the rank of brigadier general yesterday.

The decree was approved during the National Congress' second period of sessions last night, once the executive branch's proposal and draft bill was discussed. This is the text of the decree approved yesterday by the legislative body:

Article 1. Col Humberto Regaldo Hernandez has been promoted to the rank of brigadier general of the Honduran Armed Forces.

Article 2. This decree will be in force as of the date of its publication in the OFFICIAL GAZETTE.

Decree issued at the sessions hall of the National Congress in Tegucigalpa, on 18 February 1986

[Signed] Carlos Montoya, president

Oscar Murillo, secretary

Teofilo Norberto Marcel Cruz, secretary

NICARAGUA

TINOCO ON COSTA RICAN BORDER FORCE NEGOTIATIONS

PA201631 Managua Radio Sandino in Spanish 1200 GMT 20 Feb 86

[Text] The establishment of an inspection and oversight force between Costa Rica and Nicaragua would deal a sharp blow to the war and its promoters, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said Wednesday, commenting on the bilateral negotiations that begin on Monday. During a press conference the deputy foreign minister also gave details of the work done during a recent Contadora Group meeting in Panama, the only use of which, he said, was that those who support the Caraballeda plan and those who oppose it were identified. He said that during that meeting the Salvadoran and Honduran Governments voiced opposition to the Caraballeda document which other Central American foreign ministers signed on 14 January. Among other things, the Caraballeda plan proposes that support for unconventional forces cease and military maneuvers in the area be suspended. Tinoco said that the position adopted by El Salvador and Honduras reflects the Reagan administration's intention to continue its terrorist policy against Nicaragua.

Representatives of the Nicaraguan and Costa Rican Governments will meet with the Contadora Group deputy foreign ministers in Managua on Monday to discuss the establishment of a permanent inspection and oversight force in the border areas of the two countries, Tinoco announced yesterday. The inspection force was proposed by President Luis Alberto Monge after he announced the reestablishment of diplomatic relations with the Nicaraguan Government. Tinoco revealed no details of the proposal, but did remark that border inspection forces are usually staffed by military personnel of observer countries. Here is what he said:

[Begin recording] The proposal that will be discussed implies the possibility of the participation of representatives of the eight Caraballeda countries; that is, the four that comprise the Support Group and four Contadora Group countries. Only the representatives of the Contadora Group -- the deputy foreign ministers who met in Panama -- will come to Managua.

With regard to the characteristics or details of this force that President Monge proposed, I would like to say that this will be subject to discussion on Monday in terms of its legal, international -- particularly multilateral -- and general dimensions, in the framework of the United Nations.

When one speaks of a force we mean armed or unarmed military personnel, but definitely military observers. This will be discussed with the Costa Rican delegation. We will discuss their concrete plans regarding the kind of foreign presence that will exist on the border. [end recording]

Tinoco expressed optimism regarding the negotiations and said that Nicaragua is willing to discuss the Costa Rican Government's proposal to reach an understanding.

[Begin recording] We are open to all ideas. We have no reservations. It is simply a matter of discussing this carefully and attempting to reach a concrete agreement with the Costa Rican Government. If we really achieve [changes thought]... if the Costa Rican Government continues to show goodwill in advancing toward the creation of a peace force or mechanism we will be dealing a blow to the war, the policy of war, and to those who promote war in Central America. We will be giving peace a chance and enhancing the possibilities of attaining peace. We will encourage the aims of the Contadora and Caraballeda groups and, in consequence, all of those who have been struggling to attempt to find a negotiated, peaceful solution to the Central American conflict for several years now. [end recording]

The deputy foreign minister denounced the policy adopted by the Tegucigalpa bloc, which rejected the nine points of the Caraballeda declaration, as nothing but a reflection of the Reagan administration's policy.

[Begin recording] This reaffirmation by the U.S. President of his decision to continue support for the counterrevolution confirms his rejection of the Latin American option and of Caraballeda, which is evidently a firm, clear position on the part of Latin America. In view of this rejection, confirmed in President Reagan's latest statements, Latin America must examine the situation carefully. Latin America will meet, I repeat, in Punta del Este -- I believe on 27 February. We believe that will be a good opportunity for the Latin American countries that are concerned about peace -- not only in response to a spirit of altruism or to an abstract desire for peace, but also because they know that to a large extent peace in Central America means social peace in their own countries -- to examine the situation and seek new formulas or ways to attempt to win the United States' goodwill in favor of a negotiated solution. [end recording]

BULGARIA REAFFIRMS SUPPORT FOR REVOLUTION

PA100427 Managua BARRICADA in Spanish 7 Feb 86 p 1

[Text] Sofia -- Bulgaria and Nicaragua will do everything possible to strengthen their relations in all fields, said Andrey Lukanov, vice president of the Bulgarian Government, yesterday at the first meeting of the bilateral economic and scientific-technolgical cooperation committee. The committee's Nicaraguan members are headed by Commander of the Revolution Henry Ruiz. The meeting, which is taking place in Sofia, is the first of its kind, and Lukanov said Bulgaria will continue to support the Nicaraguan people who are struggling in defense of the advances of their revolution, against external and internal enemies, and for independent development. The working group will analyze the possibilities for cooperation in the commercial, agricultural, and engineering sectors, as well as in the construction of complete factories by Bulgaria and sending experts to Nicaragua.

In Bulgaria, Commander Ruiz will conclude a working tour of three socialist countries that included visited to Czechoslovakia and Poland. On Saturday, before beginning his flight back to Nicaragua, the revolutionary leader will sign a cooperation agreement in the sectors mentioned with his Bulgarian counterpart.

REPORTAGE ON REAGAN VISIT TO GRENADA, CBI

'Carnival-Like Climate'

FL202239 Havana Radio Reloj Network in Spanish 2136 GMT 20 Feb 86

[By Andres Rodriguez]

[Text] Today, Ronald Wilson Reagan, the 40th U.S. President, made a 5-hour flash visit to the Island of Grenada. According to a French news agency, the man from the White House's Oval Office delivered -- in a carnival-like climate -- an energetic speech mainly referring to Nicaragua. This was to be expected, the Grenadian capital was used by Reagan as a stage in his campaign to increase military aid to counter-revolutionary groups which are the instrument of Washington's aggressive strategy against the land of Sandino. It was another step -- this time in the eastern Caribbean -- using this strategy.

During today's flash visit to Grenada, Reagan spoke a lot about Nicaragua and, according to the news agencies, practically donned Mars' suit of armor, the Roman god of war. However, he did not mention the situation in Haiti. This country suffered through 29 years of a dynasty which systematically violated human rights, among them the most important one, the right of Haitians to eat.

The U.S. President also talked against socialism and about the alleged freedom which was brought to Grenada by U.S. Rangers [preceeding word in English] on October 1983. According to Reagan, freedom returned to Grenada almost 3 years ago -- but we would add -- with a flavor of its own.

Nowadays, according to official figures, 30 percent of the Grenadians are enjoying the freedom of being unemployed. The right to work is a basic human right. In almost 3 years of freedom brought by U.S. Rangers [preceeding word in English] there is no high-class hotel capable of sheltering the U.S. President himself and the 200-member press entourage accompanying him.

In sum, there were many words against Nicaragua but not one on Haiti. Ah, and not even a syllable about the 30 percent of Grenadians who have obtained the freedom of not being able to find a job.

'Two-act Play'

FL210159 Havana Television Service in Spanish 0100 GMT 21 Feb 86

[Text] Besides the Caribbean Basin Initiative, Grenada is perhaps the most obvious example of the real nature of candy-coated U.S. policy. The Yankees established a puppet regime in Grenada, which has increased the unemployment rate to 40 percent compared to the 12.4 percent under the previous leadership of Maurice Bishop. Under these circumstances, Ronald Reagan has visited the small Caribbean nation to star in a two-act play where the super-interventionist displayed his said and questionable power, while his subservient and troubled associates reminded the tyrant that he needs more crumbs to maintain his presidential chair.

TANA: 'Grave Affront'

PA200343 Havana International Service in Spanish 0000 GMT 20 Feb 86

["Special statement" by Guillermo Toriello, president of the Anti-Imperialist Tribunal of Our America, TANA, for Havana Radio; no place or date given -- recorded]

[Text] Reagan's trip to Grenada constitutes a grave affront to the sovereignty and dignity of our America.

At the same time, it is a reaffirmation of Washington's arrogant, expansionist, and interventionist policies, based on the use of force against law, as well as a clear expression of its fierce hegemonic plans over all of Latin America and the Caribbean.

In terms of Cuba, the visit also constitutes a shameless affront to the memory of its internationalist citizens who were there helping as health workers and teachers and rebuilding the airport. Together with Grenadian citizens, these Cubans were massacred by the special U.S. troops during the treacherous and cowardly attack to the fatherland of prominent figure Maurice Bishop.

For Cuba and Nicaragua, the imperialist storming of Grenada was a lesson of what the imperialist commitment will do to implement the Big Stick policy to dominate our countries. It also taught them that to avoid this, they must prepare their peoples' defensive warfare as much as possible.

The accomplice governments of Jamaica, Dominica, St Kitts-Nevis, St Vincent, St Lucia, and Antigua will bow once again before Reagan to participate in the celebrations of this bloody event. Crouching before the necrophilic megalomaniac, they will plead like beggars for more economic and military aid to continue their dominance through the use of violence while starving their peoples. For those puppet regimes, the example of the Haitian people's rebellion which toppled Jean-Claude Duvalier, Washington's favorite son, is a historic lesson which their people will put into practice sooner rather than later to achieve their liberty.

The evil U.S. plans, outlined in the so-called Monroe Doctrine and in the Santa Fe paper drafted to dominate our Americans, is underway, including the CIA murders of Ecuadoran President Jaime Roldos and Panamanian General Omar Torrijos, as well as the invasion of Grenada and the wicked war against the people of Nicaragua. These facts set off an alarm to all the Latin American and Caribbean peoples.

There is no other recourse than unity and being prepared for defense and attack using all forms of struggle against the imperialist. Only a great anti-imperialist and combative front can stop the Washington-based aggressors. With its strong protest over Reagan's shameless visit to Grenada, TANA urges all the peoples of our America to join together and to be prepared for combat.

CBI 'Tremendous Failure'

FL210251 Havana Television Service in Spanish 0100 GMT 21 Feb 86

[Text] The economic assistance with which Yankee imperialists tried to sweeten its policy for the Caribbean Basin, presented to the OAS by Mr Reagan 3 years ago, has turned out to be a tremendous failure.

On that occasion, the resident of the White House played a major part in a most ridiculous act, announcing that his country was offering the region, among other advantages, liberation of area products from U.S. tariffs and financial resources that would, in turn, reactivate their economies.

Reagan's crumbs are consistent, giving the most impoverished zone in the continent one-fifth of what is spent on construction of a nuclear aircraft carrier. While this caused laughter among several specialists, today some of the governments that applauded the project are now bitterly frustrated and accept the inconsistency of the program.

It is certain that since the program became operational in 1984, the Caribbean Basin nations have seen an increase in protectionism and unequal trade in their relations with the United States.

With a total foreign debt exceeding $45 billion and the concept of amortization and interests, the Caribbean Basin suffered losses exceeding $3 billion last year due to falling prices of its basic products. Even countries as faithful as Jamaica felt the imperialist stick that placed drastic limitations on bauxite imports, the fundamental economic product of that island.

BULGARIA'S ZHIVKOV MESSAGE ON CASTRO REELECTION

AU131137 Sofia RABOTNICHESKO DELO in Bulgarian 10 Feb 86 p 1

[Text] Todor Zhivkov, general secregary of the BCP [Bulgarian Communist Party] Central Committee, has sent the following telegram to Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC]:

Dear Comrade Fidel Castro,

In the name of the BCP Central Committee and in my own name I congratulate you most cordially on the occasion of your reelection as first secretary of the PCC Central Committee.

We are convinced that the comprehensive cooperation between our parties and countries will continue to develop in the future, based on the principles of Marxism-Leninism and socialist internationalism, in the interest of the Bulgarian and Cuban peoples, and for the cause of peace and socialism.

I wish you, dear Comrade Fidel Castro, and the fraternal Cuban people great successes in the implementation of the decisions of the Third PCC Congress and in further socialist construction in your native land.

CUBAN, LAOTIAN CENTRAL COMMITTEE MEMBERS MEET

FL200322 Havana Radio Periodico Del Aire in Spanish 2230 GMT 19 Feb 86

[Text] Rene Rodruguez Cruz, PCC Central Committee member and president of the Cuban Institute of Friendship with the Peoples, ICAP, has met with Khambou Soumisai, member of the Central Committee of the Lao People's Revolutionary Party, the mayor of Vientiane, and the president of the Laotian-Cuban Friendship Association.

Topics of common interest were discussed in a warm and friendly atmosphere as well as solidarity between the Laotian-Cuban Friendship Association and the ICAP.

COMPARISON OF PCC CENTRAL COMMITTEE/MEMBERSHIP

Havana Television Service in Spanish at 1800 GMT on 8 February 1986 broadcasts the list of names of the members of the PCC Central Committee. The list has been compared to that broadcast by Havana Tele-Rebelde Network and published in the 10 February Latin America & Caribbean DAILY REPORT on pages Q22-23 under the subhead Central Committee, Alternates Named, allowing for the following corrections and fills:

Page Q22, first paragraph, lines six to nine, reads: ...Aguilera, Roberto Damian Alfonso Gonzalez, Juan Almeida Bosque, Rodrigo Alvarez Cambras, Luise E. Alvarez de la Nuez, Abelardo Alvarez Gil, Emilio Aragones Navarro, Jose Ramon Balaguer Cabrera, Sixto Batista Santana, Argelia Balboa Monzon, German Barreiro Carames, Julio E. Camacho Aguilera, Faustino Beato Morejon,... (removing punctuation mark, inserting names of politburo and Secretariat members)

Same paragraph, lines ten and eleven read: ...Casanova, Senen Casas Regueiro, Miguel Jose Cano Blanco,... (inserting name of alternate politburo member)

Same paragraph, lines twelve to fourteen, read: ...Julio Casas Regueiro, Fidel Castro Ruz, Raul Castro Ruz, Osmani Cienfuegos Gorriaran, Leopoldo Cintras Frias, Abelardo Colome Ibarra, Xiomara Contreras Piedra, Sergio Corrieri Hernandez, Homero de la Paz Crabb Valdes, Jaime Crombet Hernandez-Baquero, Franciso J. Cruz Bourzac,... (correcting spelling, inserting names of Politburo and Secretariat members)

Same paragraph, lines sixteen and seventeen, read: ...Juan Escalona Reguera, Vilma Espin Guillois, Ramon Espinosa Martin, Antonio Esquivel Yedra, Jose Ramon Fernandez Alvarez, Eduardo Fernandez Boada,... (inserting names of Politburo and alternate Politburo members)

Same paragraph, lines eighteen and nineteen: ...Elcira Fernandez Torres, Yolanda Ferrer Gomez, Gustavo Fleitas Ramirez,... (inserting name of alternate Politburo member)

Same paragraph, lines twenty to twenty-two read: ...Nicolas Guillen Batista, Armando Hart Davalos, Melba Hernandez Rodriguez del Rey, Alfredo Hondal Gonzalez, Omar H. Iser Mojena, Alfredo Jordan Morales, Carlos Lage Davila, Esteban Lazo Hernandez, Juana Teresa Leyva Torres... (correcting spelling, inserting names of Politburo members)

Same paragraph, lines twenty-four to twenty-seven read: ... Orlando Lugo Fonte, Jose Ramon Machado Ventura, Isidoro Malmierca Peoli, Armando Manresa Isidoro Malmiera Peoli, Armando Manresa Gonzalez, Tania Manzanares Ayala, Pascual Martinez Gil, Angel Mena Kindelan, Jorge Enrique Mendoza Reboredo, Raul Menendez Tomassevch, Raul Michel Varges, Humberto Miguel Fernandez, Pedro Miret Prieto, Jose Miyar Barruecos,... (correcting spelling, inserting names of Politburo members)

Same paragraph, lines twenty-eight and twenty-nine read: ...Angel Rosendo Moreno Bofill, Jose Alberto Naranjo ... (correcting spelling)

Same paragraph, lines thirty-one and thirty-two read: ...Joaquin Quinta Sola, Jose Ramirez Cruz, Fidel Ramos Perera, Maria C. Reyes Fernandez, Jorge Risquet Valdes, Julian Rizo Alvarez, Roberto Robaina Gonzalez,... (inserting names of Politburo and alternate Politburo members)

Same paragraph, lines thirty-four to thirty-six read: ...Antonio Rodriguez Maurell, Carlos Rafael Rodriguez, Ulises Rosales del Toro, Pedro Ross Lea, Victor E. Scheug Colas, Rosa Elena Simeon Negrin, Arnaldo Socarras Miranda, Lionel Soto Prieto, Julio Teja Perez, Diocles Torralba Gonzalez,... (correcting spelling, inserting names of alternate Politburo and Secretariat members)

Same paragraph, line thirty-seven to end of paragraph read: ...Elida Valle Fernandez, Lazaro Vazquez Garcia, Fernando Vecino Alegret, Roberto Veiga Menendez, Margarita Veliz Rios, and Noel Zubiaur Mir. ...(inserting names of politburo and alternate politburo members, supplying dropped names)

Page Q 23 paragraph two, line sixteen and seventeen read: ...Fidel Parra Santoya, Natividad Pedroso Kirkwood,... (inserting punctuation mark)

REPORTAGE ON REAGAN MEETING LEADERS IN GRENADA

Reagan Arrives

FL201716 Bridgetown CANA in English 1708 GMT 20 Feb 86

[Text] St Georges, Grenada, 20 Feb (CANA) -- President Ronald Reagan arrived here at 1704 GMT today for the first visit by an American President.

As President Reagan disembarked from Airforce One, the 75-year-old Reagan was greeted with loud cheers from hundreds of Grenadians who flocked to the point Salines Airport from early this morning. Minutes after arrival, the U.S. President unveiled a commemorative plaque at the airport, which was completed with American funds after the Cuban workforce on the project was expelled in the aftermath of the U.S.-led invasion of the island in October 1983. The invasion, which removed a Marxist military regime, has elevated Reagan to a hero's status here.

One of the many welcome placards said: Welcome Dr Reagan. 99 per cent Grenadians think that you saved their lives in 1983; therefore it is fitting to call you doctor. Good luck and may God richly bless you.

Reagan's other engagements during his four hours in Grenada include separate talks with local and Caribbean leaders and an address at a public rally at Queens Park. The President is accompanied by a number of high-ranking administration officials including Secretary of State George Shultz and Secretary of Defence Casper Weinberger.

Maurice Bishop Group Protests

FL202344 Bridgetown CANA in English 2333 GMT 20 Feb 86

[Text] Some 30 supporters of [former Prime Minister Maurice] Bishop staged a sparcely attended protest against Reagan's visit, describing it as a second invasion of the island. We resisted the first invasion and we are resisting the second, said Kendrick Radix, chairman of the Maurice Biship Patriotic Movement. Several walls around St Georges were painted with slogans such as Reagan you can go to hell Mr Reagan, we no going back in slavery.

Leaders, Reagan Discuss Trade

FL210032 Bridgetown CANA in English 0012 GMT 21 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- Trade was the chief subject discussed in the one-hour summit between President Reagan and nine Caribbean leaders here today, a senior American Government official said.

Most of the talks centered on trade matters and to a certain extent on ways to better utilize the aid that would be available (by the U.S.) in coming years, he told reporters. Reagan left here tonight for Washington after near five hour stay.

The official, who declined to be named, said that there were no requests by regional leaders for any massive increases of aid from the Reagan administration. He said that there was recognition among Caribbean leaders that U.S. foreign aid levels are not likely to grow and could fall.

On the situation in Haiti where the Duvalier dynasty ended earlier this month following mass uprising, the official spoke of agreement in the summit about a lack of leadership there and a potential vacuum which must be filled by responsible people. He said that the issue of drug trafficking was looked at during the summit as a threat to the security of the region.

It was noted that the states of the region are facing an increasing threat not from the usage of narcotics but from narcotic traffickers who use these islands as bases for transhipment to the United States, hed said. In this regard, he said the Caribbean leaders told Reagan that some of the opposition groups in their respective islands were making the case that the way to get rich was to join the drug traffickers in the area. The President pointed out that cooperation in the regional security system could help to limit smuggling, he added.

The U.S. official quoted one Caribbean head as telling Reagan that the region was fully in support of him and that we don't want any additional communist beachheads in the Caribbean. We think you should know that we feel strongly about that and are delighted that you care enough about the Caribbean to come down here twice in your presidency, the unnamed regional head is said to have told Reagan.

Chambers Does Not Attend Rally

FL210040 Bridgetown CANA in English 0005 GMT 21 Feb 86

[Text] Port-of-Spain, Trinidad, Feb 20, CANA -- Trinidad and Tobago Prime Minister George Chambers says he opted not to attend today's public rally in Grenada during the visit of U.S. President Ronald Reagan because it marked an event he had opposed -- the 1983 U.S.-led invasion of the island. Chambers was the only one of nine Caribbean Community (Caricom) leaders, who had met Reagan an hour earlier for a mini-summit, not to attend the Queens Park rally, which attracted more than 20,000 people.

The Trinidad leader, who flew back home by helicopter ahead of Reagan's departure, said in comments broadcast on TV here tonight that he was opposed to the military action then and still opposed it now. That was a stated position, Chambers told local TV reporters just before leaving Grenada. Nothing has changed that. I was invited by the prime minister of Grenada to visit Grenada on the occasion of President Reagan's visit to Grenada to participate in a multi-national meeting comprising the independent island states and the President of the United States, he added. Chambers said he had made his position clear to Grenadian leader who understood.

Trinidad and Tobago was the lone eastern Caribbean country opposed to the 1983 intervention by American and Caribbean troops to oust a Marxist military junta which had seized power and executed the Grenada prime minister and half of his cabinet. Chambers said that he used the opportunity of his meeting with Reagan to raise issues of particular concern to Trinidad and Tobago, including graduation from the soft terms window of the World Bank, obstacles to local steel exports to the United States, the possible implications for this country of a possible oil import levy now being mooted for in the U.S., and the question of investment under the Caribbean Basin Initiative (CBI).

Describing his meeting with the U.S. President as eminently satisfactory, Chambers said that Reagan had promised to look personally into the question of duty and anti-dumping duty on oil imports.

I assume from the responses of the President, said Chambers, that we will see some activity in light of his own policies relating to investment expansion in the Caribbean.

Officials Comment on Visit

FL202329 Bridgetown Canaradio in English 2100 GMT 20 Feb 86

[Canaradio special program "Grenada Revisited," a studio panel composed of Caribbean officials hosted by reporter Wendy Thompson, commenting on political implications of president Reagan's 1-day visit to Grenada -- recorded]

[Excerpt] It's been an expectant holiday afternoon in the spice isle with Grenadians turning up in their hundreds, in fact their thousands, going all out to welcome the man, who many regard as their savior, their liberator. Mr Reagan is, of course, the first U.S. President to visit Grenada. In this approximately 4-hour stopover, a number of important things are going to be happening during that time, have in fact already been happening. Most importantly, perhaps, is the meeting between the President, a sort of summit between President Ronald Reagan of the United States and some nine Caricom heads of government. A number of things were addressed there and we're going to be looking at that and at Mr Reagan's address.

With me in the studio this afternoon, we have Mr Henry (Ford), from our Barbados Ministry of Foreign Affairs and current parliamentarian and Dr Patrick (Emmanuel), a Grenadian himself, who served in the interim government and senior research fellow with the Institute of Social and Economic Research of the University of the West Indies.

Welcome, gentlemen, before we actually go over to Queens Park, I'd like to get your impressions first of all about the significance of this first President of the United States to visit Grenada. Mr (Ford), perhaps your impression first of all.

[(Ford)] Well, I better speak of it from the point of view of the United States. The significance for the Americans is perhaps one of the success stories of an invasion by the Americans and I think President Reagan and his party see this as significant in the fight for democracy in the Americas and I think that is what he will be stressing as he speaks to the people of Grenada and the Caribbean and as he focuses his attention on areas in Latin America which he thinks are challenging democracy.

[(Dr Emmanuel)] Well, I should say just a few words from the perspective of Grenada and the Caribbean region. It is just over 2 years since the invasion itself has taken place. Since then there has been an election in Grenada and to that extent there has been a resurgence of competitive politics and parliamentary rules, but of course there has not been considerable revitilization of the economy. So while I think it was clear in 1983 that the American's invasion was a popular one in Grenada and a popular one among people throughout the eastern Caribbean and throughout the Caribbean as a whole, I believe that even though there is an atmosphere of some celebration in Grenada at this time, that the visit itself must not allow us to remove our eyes from the longer term concerns the people of Grenada face.

As we have heard parts of Mr Reagan's speech, he has been talking more about democracy and the return to democracy in Grenada in the region but little as yet -- and we have not heard the whole speech -- on the economic problems that face the region, and I believe this is the principle concern of the other heads of government who have come to Grenada to speak to Mr Reagan. They are focusing far more on the economic issues than on the issues of parliamentary democracy.

[Announcer] Of course, we haven't had any concrete news coming out of that meeting which has just ended in fact, but we know economic issues, security, particularly, trade, aid, the CBI [Caribbean Basin Initiative] security, talk of a Libyan threat in the region recently surfacing. These are all important issues we think Caricom leaders would have been addressing with the President. Mr (Ford), perhaps you can tell me of these issues, which do you see as perhaps the most important that needs to be addressed, needs to be sort of found a solution for at this present meeting.

[(Ford)] I think the most important issue for the Caribbean nation is certainly the economic issue. The world recession has really affected very adversely the economies of several of the countries. Most of the countries are disappointed with the results coming out of the CBI, although one must admit that the CBI agreement has not been going for a long time. But most of them are concerned to insure a greater access to the United States, particularly to get removed from the list of prohibited areas for trade, the areas like garments, etcetera, which are now excluded. I think a lot of emphasis will be placed on this, even much more so than our financial aid. I think the terms of trade are unfavorable for us, vis-a-vis the United States. The sugar quota is being slashed for instance, for Barbados certainly, and there is a lot of concern in the region about how to redress the balance of trade and insure that we have easier access in the areas in which we are able really to produce.

Reagan Departs

FL202226 Bridgetown CANA in English 2216 GMT 20 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- U.S. President Ronald Reagan left Grenada today after a historic near five-hour visit that included talks with Caribbean leaders. The President, on his first visit to the island where he dispatched troops on a 1983 rescue mission when a Marxist junta executed the Grenada Prime Minister and bedlam reigned, was given a tumultouous ovation at a rally he addressed before leaving. Reagan's visit included a stop at the St Georges University School of Medicine, where he laid a wreath at the foot of a six foot statue in memory of 19 American servicemen killed in the military action 28 months ago.

OECS ENDS 1ST SERIES OF EXPORT STRATEGY MEETINGS

FL200450 Bridgetown CANA in English 2251 GMT 19 Feb 86

[Text] Basseterre, St Kitts, Feb 19, CANA - Organisation of Eastern Caribbean States (OECS) members have ended the first in a series of meetings to work out export development strategies for the seven-nation grouping. St Kitts-Nevis Trade Minister Roy Jones told the meeting that ended here yesterday there was a need for a policy embracing export growth and import substitution. He stressed the importance of developing marketing and development strategies to reach foreign markets, adding we need to look at what we have to export, and make the best use of it.

The one-day meeting was held at the university centre in Basseterre, and involved representatives from the public and private sectors. Two officers from the OECS Secretariat -- Percival Marie, chief of the economic policy sector, and John Mitchell, senior trade officer -- co-ordinated the meeting. Marie said the meeting was aimed at devising strategies through discussions with those who would eventually implement them. Consideration of common experiences and discussion of areas needing special attention were important, he added.

GRENADA

POLICE DEMOLISH ST GEORGES GHETTO, ARREST 25

FL201634 Bridgetown CANA in English 1618 GMT 20 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- Police in Grenada last night demolished a St Georges ghetto during a raid in which 25 persons, including one woman, were taken into custody. The raid by regular members of the police and American-trained Special Services Unit (SSU) personnel came as Grenada prepared to welcome American President Ronald Reagan today.

Angry protestors, some of whom claimed the police beat youths with gun butts, threw several drums, tires and broken bottles into the street in front of the ghetto and hurled accusations of brutality at those members of the SSU who returned to patrol the area. There were also shouts of CIA and Klu Klux Klan at whites who drove through the area.

Reagan is visiting Grenada nearly two-and-a-half years after U.S. troops stormed the small east Caribbean islands to unseat a leftist group that had seized power in a bloody coup.

A police official told CANA that the raid was aimed at checking reported illegal activities in the ghetto. The official denied claims that the decision to demolish the wooden structures was influenced by an anti-Reagan poster hanging on a building in front of the ghetto. The poster shows Reagan with horns. It also bears some anti-American slogans. Witnesses said the ghetto residents were handcuffed and taken to a nearby police station.

TRINIDAD-TOBAGO

FOUR PARTIES TO FORM OPPOSITION ALLIANCE

FL200440 Bridgetown CANA in English 2304 GMT 19 Feb 86

[Text] Port-of-Spain, Trinidad, Feb 19 CANA -- Trinidad and Tobago's four-party opposition grouping -- the National Alliance for Reconstruction (NAR) -- is to be formally launched as a unitary party at a special conference this Sunday, party officials said today. The all-day conference will allow delegates to pass resolutions giving birth to a unitary party, the officials reported. The NAR comprises the members of the National Alliance for Reconstruction, (the Democratic Action Congress, the United Labour Front, and the Tapia House Movement), and the Organisation for National Reconstruction (ONR). The grouping is billed as the biggest threat to the 30-year rule of the Peoples National Movement (PNM), which like the NAR is gearing for general elections constitutionally due next year.